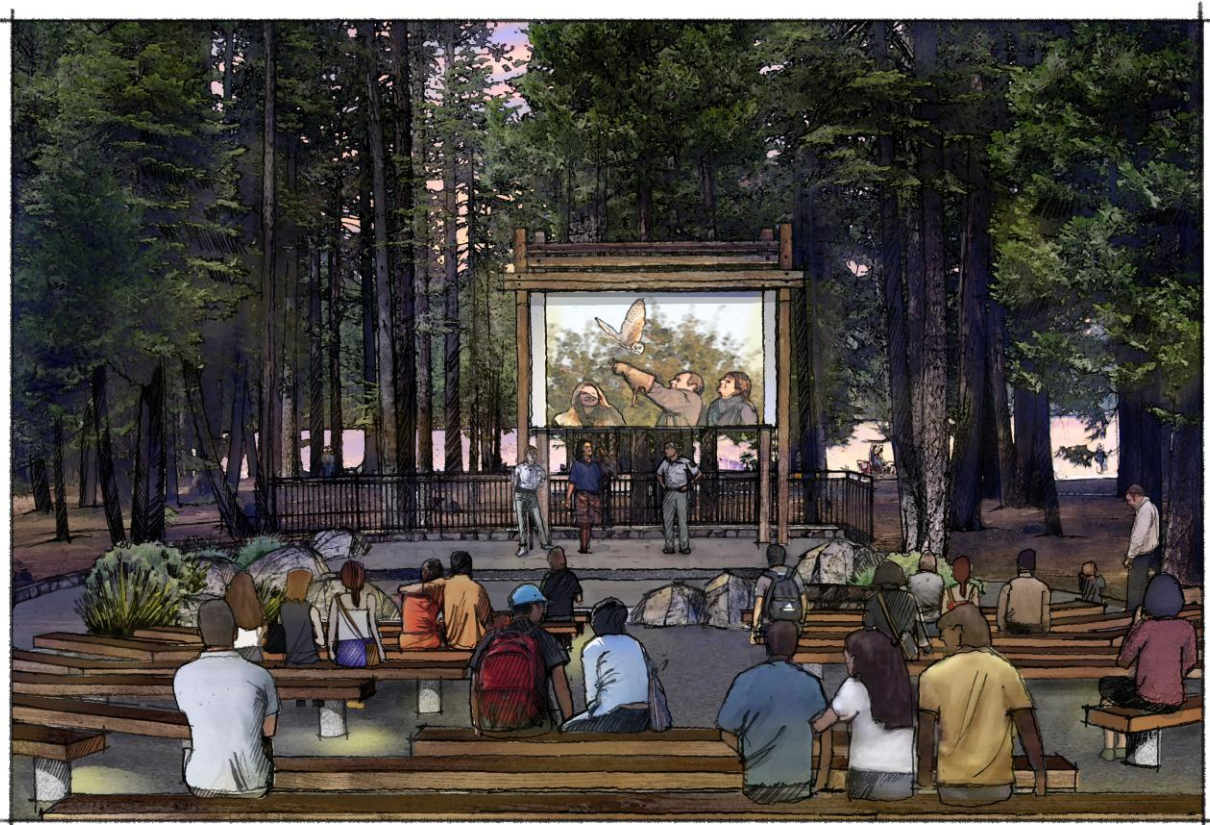


**Prospectus for Campground and
Related Granger-Thye Concessions
Stanislaus National Forest**

**U.S. DEPARTMENT OF AGRICULTURE
Forest Service**



Pinecrest Amphitheater Movie Concession

October 2013

Table of Contents

I.	Business Opportunity	4
A.	Introduction	4
B.	Area Description	4
C.	Description of Developed Recreation Sites and Facilities	5
D.	Government-Furnished Property	6
E.	Government-Furnished Supplies	6
F.	Utilities and Waste Management	6
II.	Forest Service Concession Program and Policies	7
A.	Site Closures	7
B.	Reserved Administrative Use	8
C.	Applicable Forest Orders	8
D.	Fee Tickets and Compilation of Use and Revenue Data	8
E.	Customer Service Comment Cards	8
F.	Performance Evaluations	8
G.	Accessibility	9
H.	Facility Capacity	9
I.	Fees Charged to the Public	9
J.	Other Pertinent Information	10
III.	Special Use Permit	11
A.	Permit Term	11
B.	Permit Holder Responsibilities	11
C.	Granger-Thye Fee Offset Agreement	12
D.	Insurance	13
IV.	Application	13
A.	Instructions for Submitting Applications	13
B.	General Terms, Qualifications, and Reservations	14
C.	Application Package Requirements	15
D.	Evaluation of Applications	22
V.	Post-Selection Requirements	23

Appendices

Appendix 1: Vicinity and Area Maps	25
Appendix 2: Maps of Developed Recreation Sites	28
Appendix 3: Inventory of Government-Furnished Property	30
Appendix 4: Applicable Regulations	31
Appendix 5: Sample Use Report	32
Appendix 6: Sample Customer Service Comment Card	35
Appendix 7: Standard Performance Evaluation Form	37
Appendix 8: Sample Annual Operating Plan	44
Appendix 9: FS-2700-4h, Special-Use Permit for Campground and Related Granger-Thye Concessions, and FS-2700-4h, Appendix-F, Operation of Federally Owned Drinking Water Systems	53
Appendix 10: FS-2700-4h, Appendix B, Granger-Thye Fee Offset Agreement	71
Appendix 11: Potential Government Maintenance, Reconditioning, Renovation, and Improvement Projects	74
Appendix 12: Indirect Cost Reimbursement Letter	75
Appendix 13: FS-2700-4h, Appendix G, Granger-Thye Fee Offset Certification	77
Appendix 14: Sample Collection Agreement for Granger-Thye Fee Offset Work	80
Appendix 15: Sample Business Plan	83
Appendix 16: FS-6500-24, Financial Statement	98
Appendix 17: FS-6500-25, Request for Verification	104

VI. Optional Appendices

Appendix 18: National Quality Standards for Recreation Site Management (formerly Meaningful Measures)	106
Appendix 19: Sample List of Holder-Furnished Property	108

VII. Pertinent Materials (Available Upon Request)

“Cleaning Recreation Sites” (USDA-Forest Service)
“In Depth Design and Maintenance Manual for Vault Toilets” (USDA-Forest Service)

I. Business Opportunity

A. Introduction

This prospectus is being issued to solicit applications for a concession movies special use permit. A permit to provide high-quality public service in the operation and maintenance of Government-owned recreation facilities located on the Summit Ranger District, Stanislaus National Forest, will be issued. The permit will include the following developed site:

Pinecrest Amphitheater

The authorized officer for this business opportunity is the Forest Supervisor for the Stanislaus National Forest, 19777 Greenley Road, Sonora, CA 95370.

The current permit for this concession expires on December 31, 2013. Over the past three years, this concession has generated the following gross revenues:

<u>Year</u>	<u>Gross Revenue</u>
2012	\$194,941
2011	\$174,784
2010	\$222,885

B. Area Description

The Summit Ranger District of the Stanislaus National Forest is located in Tuolumne County in central California. The Pinecrest Amphitheater is located within the Pinecrest day use area adjacent to Pinecrest Lake, located at 5,500 feet. The facility is located 30 miles east of Sonora, California and accessible by State Highway 108 to Pinecrest Lake Road. Pinecrest Amphitheater is 1 mile from Highway 108 (*see* Appendix 1 of the prospectus).

The Summit District of the Stanislaus National Forest provides year-round recreational opportunities. Such activities include boating, picnicking, swimming, hiking, OHV use, hunting, arts, winter sports, and 639 recreation residences under special use permit. The nearest full service community is Sonora, California. Limited services are available in Pinecrest.

The major season of use of the Pinecrest Amphitheater for movies is from June through August. Summer day temperatures are in the mid 80's with cool evenings. Occasional thunderstorms occur. Approximately 530,000 visitors come to recreate in the Pinecrest Basin annually. The majority of visitation occurs during the summer months and peak holiday weekends (*p. 257 Federal Energy Regulation Commission March 2005 FERC/FEIS-0171F Final Environmental Impact Statement Stanislaus River Projects*). The majority of visitors come from within a 2 to 3 hour driving radius, primarily the San Francisco Bay area, the San Joaquin Valley, and throughout Tuolumne County. Visitors also travel from farther distances, such as Nevada, Oregon, and as far away as Illinois.

C. Description of Developed Recreation Sites and Facilities

The following is a description of the developed recreation site included in this prospectus (*see* Appendix 2 of the prospectus).

Pinecrest Amphitheater

This Amphitheater is located in Tuolumne County, approximately 30 miles east of Sonora, California. To get there from Sonora, take Interstate Highway 108 east past Cold Springs, and exit right at Pinecrest Lake Road. Continue 1.1 miles to Pinecrest Amphitheater on the left. All roads to the Amphitheater and parking spaces are paved.

Pinecrest Theater Movies Under the Stars has operated for 78 consecutive years.

Pinecrest Amphitheater has a raised stage with screen that can be used for movie projection, as well as live performances or speaking engagements. Wooden bench seats with wooden backs accommodate 750 people. Six speakers along the sides of the Amphitheater are wired to a central location, which controls power and volume. Bulletin boards for advertising movies and posting schedules of movies and interpretive programs are located at the Amphitheater, as well as at the Pinecrest and Meadowview Campgrounds restrooms.

Water and electricity are available on site. Public restroom facilities, drinking fountain, and trash receptacles are located adjacent to the area. Parking areas are located near the facility but are not included in the permit.

Projection booth, projection equipment, and concession outlet for ticket sales and food items must be provided by concessioner. Sound system is available on site.

The average operating season is May 15-September 30, weather and attendance permitting, from a period just prior to sundown through 10 p.m., with potential to extend the season to October 31, weather and attendance permitting. At a minimum, Forest Service will expect the permit holder to operate movie concessions for a minimum operating season of Memorial Day weekend to Labor Day weekend.

The permit holder will be authorized to use all government-furnished property under the terms of the special use permit. Appendix 3 contains an inventory of Government-owned property that is included in the Amphitheater. Included in this inventory is a description, quantity, replacement cost and estimated fair market value of the property.

Characteristics of Developed Recreation Site

Site	Pinecrest Amphitheater
Communications	
Utilities	Water, electricity, and restrooms

Drinking Water	Provided by the Forest Service Pinecrest water system
Toilet/Type	5 low flow flush toilets individual unisex units
Toilet Vault Capacity	N/A
Forest Service Trash Bins	None
Trash Bin Type	N/A
Accessibility	Seating, walkways, lighting
Elevation	5,500 feet
Seating Capacity	750
2011 Fee Per Person	\$6.50
2012 Fee Per Person	\$6.50
Minimum Operating Season	Approximately May 15–September 4
Three-Year Average Gross Revenue (2010- 2012)	\$197,537

D. Government-Furnished Property

The Forest Service will provide certain property in conjunction with the concession special use permit (*see* Appendix 3 of the prospectus). Included in this inventory are a description, the quantity, and the estimated replacement cost of the applicable property.

E. Government-Furnished Supplies

The Forest Service will not furnish any supplies for day-to-day operation of the concession. Government-furnished supplies will be limited to those necessary for programmatic consistency, including:

Copies of the annual publication, The Stanislaus Traveler” and “Your Guide to Programs, Activities”

F. Utilities and Waste Management

Certain utilities and infrastructure exist for the developed recreation sites identified in this prospectus. The permit holder will be responsible for securing, managing, and paying for these

utilities. Applicants should contact current service providers to obtain estimated costs for the utilities. These utilities include:

Electrical

Pacific Gas and Electric (PG&E) will provide electrical service to the Amphitheater and adjacent restroom through the use of an electrical meter. The Forest Service will require the permit holder to pay for their portion of the electrical bill incurred during movie operations. Meter readings will be collected during the summer to determine the cost.

Water

Water is available at no cost to the permit holder for related operations. The Forest Service will be responsible for the operation and maintenance of the water system. The Forest Service will conduct all drinking water tests.

Garbage

The permit holder will be responsible for all garbage generated by movie concession operations. All trash created by movie patrons and movie operations will either be placed in a separate garbage bin provided by the permit holder or the permit holder will remove the trash from the site by another means as approved by the Forest Service.

II. Forest Service Concession Programs and Policies

Government-owned concessions are authorized by special use permits issued under Section 7 of the Granger-Thye (GT) Act, 16 U.S.C. 580d, and implementing regulations at 36 CFR Part 251, Subpart B.

In addition, there are certain Forest Service programs and policies that apply to concession operations. All applications must be consistent with these requirements.

A. Site Closures

The Forest Service reserves the right to close all or a portion of any area in this prospectus for repair; construction; floods, snow, extreme fire danger, or other natural events; wildlife protection; or risks to public health and safety. The Forest Service shall not be liable to the permit holder for lost revenue, operating costs, or any other losses resulting from these closures. However, for fee calculation purposes, the permit shall be placed in non-use status as provided by FSH 2709.11, section 31.23.

Reconstruction of the stage area began September 3, 2013. The Amphitheater is closed for construction and will be completed for full service and use by Memorial Day 2014. This is the only anticipated construction closure for the Amphitheater facility.

B. Administrative Use

The Forest Service retains rights to use of the Amphitheater facilities daily up to the period of movie start time without compensation to the permit holder.

If the Forest Service requires the permit holder to provide a service for the agency, the permit holder will be compensated for that use.

C. Applicable Forest Orders

Forest Orders may be issued to address a variety of management concerns on a particular forest. Sample orders related to the offering are identified in Appendix 4. Additional applicable forest orders may be issued in the future.

D. Fee Tickets and Compilation of Use and Revenue Data

The permit holder must provide fee tickets to visitors.

The permit holder must provide use and revenue data to the Forest Service (*see* Appendix 5 of the prospectus for a sample use report). Use reports must be completed monthly and at the end of the operating season for the amphitheater, provided that when the holder performs GT fee offset work in lieu of paying the land use fee in cash, use reports may be submitted quarterly, rather than monthly. At a minimum, monthly and year-end use reports must include:

- The total number of attendance.
- Fees collected for movie attendance
- Total fee revenue for other goods and services.

In addition, year-end use reports must include:

- Total taxes paid.
- Total gross revenue.
- Total net revenue.

E. Customer Service Comment Cards

The permit holder must make a customer service comment card available to visitors at the Amphitheater and if appropriate, on a website (*see* Appendix 6 of the prospectus).

F. Performance Evaluations

At a minimum, the Forest Service will perform a year-end performance evaluation within four weeks of the close of the operating season (*see* Appendix 7 of the prospectus). An unsatisfactory rating may be cause for suspension or revocation of the special use permit. Sustained satisfactory performance is required for a permit extension.

G. Accessibility

The Architectural Barriers Act of 1968 (ABA) and Section 504 of the Rehabilitation Act of 1973 require new or altered facilities to be accessible, with few exceptions. In 2004, the Architectural and Transportation Barriers Compliance Board (Access Board) issued revised accessibility guidelines for buildings and facilities subject to the ABA and the Americans with Disabilities Act (ADA). These new guidelines are called the ADA/ABA Accessibility Guidelines. In 2006, the Forest Service issued the Forest Service Outdoor Recreation Accessibility Guidelines (FSORAG). The FSORAG addresses types of recreational facilities, including developed recreation sites, that are not covered by ADA/ABA Accessibility Guidelines.

Any Government maintenance, reconditioning, renovation, or improvement (*see* section III.C) must meet ADA/ABA Accessibility Guidelines, where applicable, as well as the FSORAG.

The FSORAG and the ADA/ABA Accessibility Guidelines are posted on the Forest Service's website at <http://www.fs.fed.us/recreation/programs/accessibility>. Questions regarding ADA/ABA Accessibility Guidelines may be referred to the Access Board at www.access-board.gov. Questions regarding the FSORAG may be referred to the accessibility coordinator for the local National Forest.

The permit holder is responsible for ensuring effective communication with visitors with disabilities, including persons with impaired vision or hearing, so that all visitors may obtain information on accessible services, activities, and facilities.

H. Facility Capacity

Seating Capacity of Pinecrest Amphitheater is 750 people.

I. Fees Charged to the Public

The permit holder may charge the public fees only to the extent that the Forest Service can charge recreation fees under REA. All concession fees must be specified. The holder must honor the proposed pricing through the first full operating season. Thereafter, the holder may propose price adjustments with justification.

Permit holders may not charge for any of the following:

- Solely for parking, undesignated parking, or picnicking along roads or trailsides.
- General access, unless specifically authorized by REA.
- Persons who are driving through, walking through, boating through, horseback riding through, or hiking through NFS lands without using the recreational facilities and services for which a fee is charged.

- Travel by private, noncommercial vehicle over any national parkway or any road or highway in the Federal-aid System that is commonly used by the public as a means of travel between two places, either or both of which are outside an area in which recreation fees are charged.
- Travel by private, noncommercial vehicle, boat, or aircraft over any road, highway, waterway, or airway to any land in which the person traveling has a property right, if the land is in an area in which recreation fees are charged.
- Any person who has a right of access for hunting or fishing privileges under a specific provision of law or treaty.
- Any person who is engaged in the conduct of official federal, state, tribal, or local government business.
- Special attention or extra services necessary to meet the needs of the disabled.

J. Other Pertinent Information

Resource Concerns

Wildlife Mitigation

In Pinecrest Amphitheater, scavenger species, such as ravens, coyotes, and bears may be attracted to the area if Pinecrest Amphitheater is not cleaned after events. The permit holder will be required to clean all food and trash from the Amphitheater area each evening immediately after movies are shown to discourage scavengers.

Endangered Species

There are no concerns about endangered species in the Pinecrest Amphitheater.

Archaeological Resources

No archeological sites have been identified within the Pinecrest Amphitheater.

Condition of Trees

The cedar, fir, and pine stands within the Pinecrest Amphitheater are mature. Trees have been thinned to maintain the health of the stands.

Butane and Propane Installations

For safety and regulatory reasons, the permit holder is not allowed to install or store bulk butane or propane.

III. Special Use Permit

In exercising the rights and privileges granted by the special use permit, the permit holder must comply with all present and future federal laws and regulations and all present and future state, county, and municipal laws, regulations, and other legal requirements that apply to the permit area, to the extent they do not conflict with federal law, regulation, or policy. The Forest Service assumes no responsibility for enforcing laws, regulations, and other legal requirements that fall under the jurisdiction of other governmental entities.

A. Permit Term

The permit term will be for up to 5 years, with an option to extend the term for up to an additional 5 years at the sole discretion of the authorized officer. The decision to extend the term will depend, in part, on sustained satisfactory performance of the permit holder. Upon expiration of the permit, continuation of the permitted activity will be at the sole discretion of the authorized officer and will be subject to a competitive offering. A new prospectus will be issued during the final year of the permit term.

If the decision to select a permit holder is appealed, a permit will not be issued until the appeal has been resolved, unless operation is needed during the appeal, in which case a permit with a term of one year or less may be issued.

B. Permit Holder Responsibilities

This section highlights the requirements of the special use permit, which is contained in Appendix 9 of the prospectus. Applicants are responsible for familiarizing themselves with all permit requirements that govern the operation covered by this prospectus.

Responsibility for Day-to-Day Activities

As a general rule, the holder will be required to conduct the day-to-day activities authorized by the permit. Some, but not all, of these activities may be conducted by someone other than the permit holder, but only with the prior written approval of the authorized officer. The permit holder will continue to be responsible for compliance with all the terms of the permit.

Permit Holder-Furnished Supplies and Equipment

The permit holder will be required to provide all vehicles, equipment, and supplies necessary to operate the authorized developed recreation sites in accordance with the special use permit.

Holder Maintenance, Reconditioning, or Renovation (MRR)

Maintenance, reconditioning, and renovation are defined in the permit (FS-2700-4h, clause IV.E.1(a), (c)). Holder MRR is defined as maintenance, reconditioning, or renovation that neither materially adds to the value of the property nor appreciably prolongs its life. The work serves only to keep the facility in an ordinary, efficient operating condition. From an accounting or tax

perspective, it is work that may be expensed, but not capitalized. In fulfilling these responsibilities, the holder must obtain any licenses and certified inspections required by regulatory agencies and follow state and local laws, regulations, and ordinances and industry standards or codes applicable to the permitted operation (FS-2700-4h, clause IV.E.1(d)). The permit holder, at its expense, will be required to perform holder MRR under a holder MRR plan (FS-2700-4h, clause II.D). The holder MRR plan will describe required holder MRR and its frequency. The holder MRR plan will become part of the permit holder's annual operating plan.

C. Granger-Thye Fee Offset Agreement

The federal government owns all the improvements at the Pinecrest Amphitheater covered by this prospectus. Under Section 7 of the Granger-Thye (GT) Act and the terms of the permit, the permit fee may be offset in whole or in part by the value of Government maintenance, reconditioning, renovation, and improvement (MRRI) performed at the permit holder's expense. Government MRRI is defined as maintenance, reconditioning, renovation, or improvement that arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property. Government maintenance, reconditioning, renovation or improvement, whether performed by the holder or the Forest Service, shall be performed at the sole discretion of the authorized officer. *See* Appendix 3 of the prospectus and FS-2700-4h, clause IV.E.

All Government MRRI shall be enumerated in an annual GT fee offset agreement signed by the holder and the Forest Service in advance of the operating season (*see* Appendix 10 of the prospectus and FS-2700-4h, Appendix B). Alternatively, a multi-year fee GT fee offset agreement can be prepared for consolidated fee payments. A list of sample Government MRRI projects is included in Appendix 11 of the prospectus.

Either the holder or the Forest Service may perform GT fee offset work. This determination will be made annually. When the holder performs GT fee offset work, if it includes construction that costs more than \$2,000, it is subject to the Davis-Bacon Act and the fee offset agreement must contain Davis-Bacon Act wage provisions. Additionally, indirect costs may be offset provided the holder submits either a currently approved indirect cost rate or accounting procedures and supporting documentation to determine an indirect cost rate (*see* Appendix 12 of the prospectus).

The holder's claims for GT fee offset must be documented using the FS-2700-4h, Appendix G, Granger-Thye Fee Offset Certification Form (*see* Appendix 13 of the prospectus). This form requires the holder to itemize allowable costs incurred for an approved GT fee offset project and to certify the accuracy and completeness of claims.

When the Forest Service performs GT fee offset work, the holder will deposit fee payments into a trust account. The Forest Service will perform GT fee offset work under a collection agreement and offset those costs against the permit holder's annual permit fee (*see* FS-2700-4h, clause IV.E.3, and Appendix 14 of the prospectus). The Forest Service's indirect costs may be offset at the agency's approved rate. The Forest Service and the holder will agree on the work to be performed in advance of each operating season.

D. Insurance

Liability Insurance

The successful applicant must have liability insurance covering losses associated with the use and occupancy authorized by the permit arising from personal injury or death and third-party property damage in the minimum amount of \$500,000 for injury or death to one person per occurrence; \$500,000 for injury or death to more than one person per occurrence; and \$500,000 for third-party property damage per occurrence, or in the minimum amount of \$1,000,000 as a combined single limit per occurrence. Insurance policies must name the United States as an additional insured (*see* Appendix 9 of the prospectus and FS-2400-4h, clause III.I).

Property Insurance

Property insurance will be required (identify the federal property to be insured) in the amount of \$759,090 for (replacement in kind or functional replacement) of the insured property (*see* Appendix 3, Inventory of Government-Furnished Property).

IV. Application

A. Instructions for Submitting Applications

Applicants must submit a written application for all developed recreation sites offered in this prospectus.

Applicants are strongly encouraged to visit the sites at least once before submitting an application (*see* Appendices 1 and 2, vicinity and area maps and maps of developed recreation sites).

The information in this prospectus is from generally reliable sources, but no warranty is made as to its accuracy. Each applicant is expected to make an independent assessment of the business opportunity offered in this prospectus.

All applications must be submitted to Susan Skalski, Forest Supervisor, Attention: Sue Warren, 19777 Greenley Road, Sonora, CA 95370. Applications must be received by close of business (4:30 p.m.) on December 2, 2013.

Applicants must submit four copies of their application package and supporting documents.

Please ensure that all requested information is submitted. Missing or incomplete information will result in a lower rating for the corresponding evaluation criteria.

Applications must be signed. The person signing for an entity must have authority to sign for that entity. Applicants must include their address, telephone number, facsimile number, and email address.

Corporations also must include:

- Evidence of incorporation and good standing.
- If reasonably obtainable, the name and address of each shareholder owning 3 percent or more of the corporation's shares and the number and percentage of any class of voting shares that each shareholder is authorized to vote.
- The name and address of each affiliate of the corporation.
- If an affiliate is controlled by the corporation, the number of shares and the percentage of any class of voting stock of the affiliate owned, directly or indirectly, by the corporation.
- If an affiliate controls the corporation, the number of shares and the percentage of any class of voting stock of the corporation owned, directly or indirectly, by the affiliate.

Partnerships, limited liability companies (LLCs), associations, or other unincorporated entities must submit a certified copy of the partnership agreement or other documentation establishing the entity or a certificate of good standing under the laws of the state where the entity is located.

Applicants should contact Marie Malo at (209) 965-3434 x 5343 or mgmalo@fs.fed.us regarding any questions related to this prospectus.

B. General Terms, Qualifications, and Reservations

All applicants have an equal opportunity to apply. Except for members of Congress, Resident Commissioners, and current Forest Service employees, any individual or entity may apply.

The Forest Service does not guarantee a profitable operation. Rather, applicants are responsible for reviewing the prospectus and making their own determination concerning business viability.

The Forest Service will select the application that offers the best value to the Government. The Forest Service reserves the right to select the successful applicant based on a trade-off between the fee to the Government and technical merit.

The Forest Service is not obligated to accept the application with the highest return to the Government.

The Forest Service reserves the right to select the successful applicant based solely on the initial application, without oral or written discussions.

The Forest Service reserves the right to reject any or all applications and to rescind the prospectus at any time before a special use permit is issued.

Any oral statement made by a representative of the Forest Service shall not modify the requirements of this prospectus. If it is determined that an error or omission has been made or additional

information is required, a written amendment will be sent to each person or entity receiving a copy of this prospectus.

If there is a conflict between the terms of the prospectus and the special use permit, the terms of the permit will control.

The Forest Service is proposing a revision to FSM 2344.3 to address how passes and passports are honored in the concession program. The agency reserves the right to amend the special use permit consistent with any change to that directive. In addition, the Forest Service reserves the right to amend the special use permit, to make it consistent with applicable laws and regulations, including REA; other Forest Service directives; or other management decisions.

The information contained in applications will be kept confidential to the extent permitted under the Freedom of Information Act (5 U.S.C. 552) and the Privacy Act (5 U.S.C. 552a).

C. Application Package Requirements

Applications must be in writing and must include or address the following:

- A proposed annual operating plan (including required and optional services).
- A business plan, business experience, references, and Small Business Development Center (SBDC) review fee, if applicable (*see* section IV.C.2).
- Financial resources.
- Fees charged to the public.
- Fee to the government.
- Initial processing fee.

1. Proposed Annual Operating Plan (Including Required and Optional Services)

Applicants must submit a proposed annual operating plan that addresses all required and optional services as listed throughout items below (pages 15-18). Applicants must utilize the sample annual operating plan (*see* Appendix 8 of the prospectus) to organize their response to this section. The successful applicant's proposed operating plan will be attached to and become a part of the special use permit.

Applicants must specify whether another party will assist with any of the operational aspects of the concession, and if so, must include the other party's name, address, telephone number, email address, and relevant experience.

Below are highlights of what needs to be addressed in the proposed annual operating plan. For more detail, see the sample annual operating plan in Appendix 8 of the prospectus.

Operating Season

The Amphitheater is closed during the winter months due to the 5500 ft elevation and the nature of the weather. Normal operating season is Memorial Day weekend through Labor Day Weekend.

Upon agreement with the authorized officer, the movie concession may be extended through the end of October if weather conditions and visitation are favorable.

Applicants need to propose the period in which they will operate the sites listed in the prospectus. All sites must be open and operational seven days per week during the minimum operating season, unless a Forest Service closure order is in effect.

Staffing

Applicants must address appropriate staffing to meet customer service and cleanliness standards. The holder will be responsible for furnishing all personnel for the developed recreation sites and for adequately training and supervising their activities under the terms of the permit. The holder must meet requirements of federal and state laws governing employment, wages, and worker safety. Applicants should address worker hours and schedules. Applicants also should address staff training for effective customer service, conflict resolution, area-specific emergency procedures, and dissemination of recreation and tourism information.

Supervision and Management

Applicants must designate an individual to serve as the agent of the holder for purposes of administration of the permit by the Forest Service. The designated agent must periodically review attendant performance on site and must be available to resolve repair needs within 24 hours of discovery or notification. The holder will be responsible for the conduct of its employees, including preventing conduct prohibited by 36 CFR part 261, Subpart A, and ensuring that employees are not under the influence of intoxicating beverages or narcotic drugs while on duty or representing the holder. Applicants also must include a policy for removing employees who engage in inappropriate conduct.

Uniforms and Vehicle Identification

Applicants should describe employee uniforms, insignia, name tags, and the applicants' policy for ensuring a clean, professional appearance by staff while on duty. The holder's employees may not wear any component of the Forest Service uniform. Additionally, applicants should address their policy for vehicle maintenance and appearance; types of vehicles to be used for operations (vehicles may not be driven off designated roads or trails); and signage to identify the permit holder to the public.

Holder-Furnished Property

The permit holder will provide all supplies, equipment, and vehicles necessary to operate the concession site in accordance with permit and AOP requirements. A sample list of holder-furnished property is included in Appendix 19.

Quality and Reliability of Equipment

Movie projector, amplifier, and movie screen will be provided by the permit holder. List types of equipment, and alternate plan for equipment failure including possibility of refunds.

Movie Selections

Movies shall be appropriate for all ages. Movies rated G or PG with edits. Subject matter shall not be of a violent nature or suggest sexual situations. Proposed movie selections must be submitted for review and approval by authorizing officer, no later than 30 days prior to intended show dates. List sources of movies intended for use and examples of movie titles.

General Operation

Applicants should address how they propose to meet each element.

- 1. Hours of Operation** Movies can be viewed just after sunset. Movie start time varies with the time of sunset. Generally, sunset is at 8 p.m. in May, 8:30 p.m. in June and July, and 8 p.m. in August. Ticket sales can begin up to one hour before the start of the movie.
- 2. Cleaning and Maintenance** Permit holder must comply with quiet hour guidelines for the campgrounds in the area. Clean up after the movie shall be done quietly and efficiently. Cleaning of the restrooms and disposal of all food and garbage accumulated from the concession must be completed immediately after the showing of movies. Restrooms must be tidy and have adequate toilet paper in each stall. List routine maintenance that permit holder will perform on benches, walking surfaces, etc.
- 3. Recycling** Styrofoam will not be used. Serve as a role model for the use of recyclable materials. Specify how the permit holder will manage a recycling service, stating types of materials collected for recycling, how often recycled materials will be collected, and where recycled materials will be deposited.
- 4. Holder MRR** The permit holder, at his/her expense, will be required to perform holder MRR under a holder MRR plan developed by the Forest Service that will become part of the Annual Operating Plan.
- 5. Pricing Policy** State concession fees to be charged to the public for movies and other items.
- 6. Customer Relations** State how you will collect customer feedback and respond to customer complaints.
- 7. Emergency Response** All emergencies at the concession site during theater operations must be reported to local authorities. State how the permit holder will respond to emergencies, how the permit holder will provide information and assistance to the public, and handle public criticism of emergency response. State how hours of operation, communications, employee training and supervision will be integrated into these situations.
- 8. Law Enforcement** The permit holder is expected to obtain visitor compliance with required rules and regulations. State how the permit holder will fulfill the roles and responsibilities for law enforcement, including rules of use imposed by this concession.
- 9. Reserved Administrative Use** In addition to concession movies, the Forest Service uses the Amphitheater at least two (2) nights per week for Interpretive Programs and will add an additional night if the permit holder chooses not to provide Optional Interpretive Services. The Forest Service also uses the Amphitheater 7 days per week during the day to conduct Interpretive Programs, and 5 nights per week to conduct short evening Interpretive Programs before the concession movies.
- 10. Other Special Uses** The Amphitheater is available, on a reservation basis, for meetings, weddings, church services, etc. during the day. Use will not conflict with the movie concessions. This use is outside of the terms and conditions of this permit.

- 11. Utilities** Describe how trash generated by the movie concession will be collected and removed from the Amphitheater. Funds for electricity and garbage service can be placed in a separate account for utilities, or the permit holder may pay for these services directly. State how utilities will be paid.
- 12. Site Protections** Operations shall protect the soil and trees in the area. Unnatural materials shall not be placed upon or hammered into the trees.
- 13. Wildlife Protection** All food generated by the movie concessions shall be removed from the Amphitheater and the surrounding area immediately after the program ends to discourage wildlife becoming habituated to human food.
- 14. Site Hazards** The permit holder shall identify and inform the authorized official of any potential hazards.
- 15. Wind or Snow Damage** General cleanup and maintenance of the facilities will be accomplished before the next day's programs.
- 16. Fire Prevention** A fire extinguisher must be present on the premises. State fire prevention plan.
- 17. Rodent Control** Permit holder must comply with California state standards and will be subject to state inspections. Mouse feces are frequently found in the projection booth and podium area. Using bleach, all feces should be wetted before removing to prevent aerosol of disease particles, such as hantavirus and plague. State rodent control plan.
- 18. Insecticide Use** Must comply with state and county regulations. State insecticide plan.

Optional Services

- 1. Interpretive Services** Educational programs This prospectus provides the opportunity for a permit holder to operate commercial movies for four (4) nights per week. An additional night may be considered if the permit holder provides educational forest related programs. Approval may be given to charge a fee for the following types of programs when the following conditions are met:
 - a) Alternative program mediums that convey an appreciation for the natural and cultural resources, e.g. live performances such as living history, plays, arts venues..
 - b) Programs given by experts in resource fields to share powerpoint or videos about their area of expertise, e.g. mountaineering, wildlife rehabilitation, etc.
 - c) These programs will be introduced by the Forest Service.
 - d) The authorizing officer must approve each of these programs.
- 2. Extended Movie Show Dates** If permit holder wants to show movies for extended number of days per week before and after the Forest Service Interpretive season, this must be addressed each year in the Annual Operating Plan, to allow time for approval by the line officer.
- 3. Other concessions** Food items appropriate to movies will be considered.
- 4. Advertising** Advertisement in local newspapers, etc. can be done at permit holder's expense. Signs and posters for advertising may be used upon the approval of the authorizing officer.

Pre and Post Season Operations

Prior to the start of operations for the season, the permit holder will prepare the Amphitheater for movies. This includes, but is not limited to sweeping the area, hosing off accumulated winter debris (pine needles, sand, dirt) from the Amphitheater and benches, repairing or repainting benches,

cleaning winter debris inside the housing for electrical and sound system, and checking sound system and lights. At the end of the operating season, the holder shall remove property which can be damaged during the winter, and cover the speakers and electrical housing to protect from snow damage.

2. Business Plan, Business Experience, and References

Applicants must submit a business plan utilizing the format in Appendix 15 of the prospectus. This part of the application package must be a separate document. The business plan provides a thorough analysis of an applicant's vision of the proposed business. A good business plan is essential for running a successful business, maintaining and improving the business, and raising needed capital.

Applicants must furnish a detailed description of their experience relating to operating and maintaining developed recreation sites (*e.g.*, movies concessions, amphitheaters, campgrounds, beaches, and marinas). The description must include experience in private business, public service, or any nonprofit or other related enterprises. Applicants are encouraged to contact their local SBDC if they need assistance in completing their business plans. Alternatively, applicants who have already received a review of their business plan from an SBDC or the Forest Service for the current fiscal year may submit a copy of the review report.

Local SBDC:
Northeastern California Small Business Development Center
San Joaquin Delta College
56 South Lincoln Street
Stockton, CA
(209) 954-5089

SBDC Review

All business plans received in response to this offering will be independently reviewed by an SBDC. Applicants are required to submit **three** copies of their business plan. If an applicant's current fiscal year business plan has already been reviewed by an SBDC, the applicant may submit a copy of the review report.

Along with a business plan, applicants also must submit a bank draft, money order, or cashier's check in the amount of \$**150**, made payable to the SBDC. Applicants submitting a current fiscal year review report by the Forest Service or an SBDC need not enclose payment.

Performance Evaluations

Applicants who have experience in managing Forest Service or other Government concessions must provide copies of the most recent annual written performance evaluations for each Forest Service or other concession the applicants have operated or are operating.

References

Applicants also must furnish three business references with names, addresses, telephone numbers, and email addresses in support of relevant business experience. These references will be contacted

for information regarding applicants' past performance. In addition, the Forest Service may consider past performance information from other sources.

3. Financial Resources

Applicants must submit a complete set of all financial statements for the last three fiscal years that have been audited, reviewed, or compiled by a certified public accountant (CPA). For any financial statements that were only compiled by a CPA, applicants must complete FS-6500-24, Financial Statement (*see* Appendix 16 of the prospectus) for certification of the accuracy of the financial statements.

Applicants must complete FS-6500-24 for any of the last three fiscal years they were in business for which a financial statement was not audited, reviewed, or compiled by a CPA. An applicant who has had a financial ability determination (FAD) conducted within the past year should include a statement to that effect along with the forest name, contact name and telephone number. Additionally, applicants must identify any pending applications or new permits obtained from the Forest Service since the FAD was completed.

In completing FS-6500-24, LLCs must list the name of the company in block 1, the names and interests of the principals in block 5, and their members should be listed in block 6. In addition, LLCs must complete the certification in Part (D)(1) of FS-6500-24.

An applicant who has not been in business for the last three fiscal years, and therefore cannot submit audited, reviewed, or compiled financial statements or an FS-6500-24, must submit three fiscal years of projected financial statements compiled by a CPA using the forecast method.

Any financial information submitted by applicants must conform to generally accepted accounting principles (GAAP) or other comprehensive bases of accounting. Any previously prepared financial documents that are submitted must be unredacted and in their original form, including footnotes.

Applicants must show at least 25 percent of the first year's operating costs in liquid assets. Liquid assets are assets that are readily converted into cash.

Applicants also must complete blocks 1 through 5 of form FS-6500-25, Request for Verification (*see* Appendix 17 of the prospectus) and submit the signed and dated form with the application. The Forest Service will forward the FS-6500-25 for the most qualified applicant to the Albuquerque Service Center for processing. The auditor assigned to conduct the FAD will send a copy to each financial institution with which the applicant does business. The financial institutions must complete blocks 6 through 15 of the form and mail the completed form to [USDA Forest Service, Albuquerque Service Center], Attention: Resource Audit Branch, 1018 Sun Avenue NE, Suite PA130, Pan Am Building, Albuquerque, NM, 87109.

4. Fees Charged to the Public

Applicants must provide a list of all fees they propose to charge to the public for the first three years of operation, including fees for required and optional services (*see* Appendix 8, Sample Annual Operating Plan, for a list of required and optional services). Discuss any variable pricing, discounts,

and passes. All proposed fees to be charged to the public also must be included in the business plan as an income item.

The Forest Service reserves the right to regulate the rates charged to the public.

5. Fee to the Government

The Government is obligated to obtain fair market value for the use of its land and improvements. The minimum fee is \$7,408 per year. The minimum fee is the concession's average gross revenue for the past three years multiplied by the current 30-year Treasury bond rate. The minimum fee will be adjusted at the end of the first five years of the permit term if the permit is extended for five years.

Minimum Fee Calculation

<u>Year</u>	<u>Gross Revenue</u>
2010.....	\$222,885
2011.....	\$174,784
2012.....	\$194,941
Total	\$592,610

Total gross revenue ÷ 3 = average gross revenue

$\$592,610 \div 3 = \$197,537$

Average gross revenue multiplied by the current 30-year Treasury bond rate = the minimum annual fee. In the following example, the 30-year Treasury bond rate is 3.75 percent (as of 8/14/13).

$\$197,537 \times 0.0375 = \7408 minimum annual fee

Applicants may propose a fee below the minimum, provided they can document why this amount represents fair market value. However, the Forest Service may reject the proposed fee if the agency determines that it does not reflect fair market value.

Applicants must propose the fee to the Government as a percentage of the concession's adjusted gross revenue. One percentage may be proposed for the entire permit term, or the percentage may vary each year. However, if a consolidated fee payment will be proposed, one percentage rate must be proposed for the entire period of consolidated payments.

The proposed fee to the Government also must be included in the business plan as an expense item in the cash flow projections.

The fee to the Government may be offset in whole or in part by the value of Government MRRI, performed at the permit holder's expense in accordance with a GT fee offset agreement (*see* section III of the prospectus).

6. Other Evaluation Criteria

7. Application Fee

The initial processing fee is determined with a schedule that establishes a fee of \$100 for every \$200,000. Based on average last 3 years of gross revenue, the initial processing application fee will be \$100. The successful applicant will be subject to an additional processing fee for the costs of preparing and issuing a permit and conducting a FAD, or adjusting an existing FAD to reflect the change that this selection will have on the applicant's financial ability.

Cost Recovery

Applications submitted in response to this prospectus are subject to cost recovery pursuant to 36 CFR 251.58(c)(1)(ii) and (c)(3)(iii). Applicants must submit a processing fee of approximately \$410 to cover the cost of the prospectus and review of the application. Payments due the United States for this application must be paid in the form of a bank draft, money order, or cashier's check payable to the USDA-Forest Service. Payments will be credited on the date received by the designated Forest Service collection officer or deposit location. Additionally, the selected applicant will be responsible for the costs of preparing and issuing the permit and conducting a FAD, unless the Forest Service has conducted a FAD for the applicant within the past year. If a FAD has been completed for the applicant within the last 12 months, the applicant will be responsible for the cost of adjusting it to reflect any change this selection will have on the applicant's financial ability.

D. Evaluation of Applications

A Forest Service evaluation panel will evaluate each application utilizing the non-fixed weight method.

The following evaluation criteria are listed in no order of importance, each is weighted equally:

- Proposed annual operating plan (including required and optional services).
- Business plan, business experience, and references.
- Financial resources.
- Fees charged to the public.
- Fee to the Government.

The Forest Service will consider only the applicant's written application package and any past performance information obtained by the Forest Service. During the evaluation process, the evaluation panel may contact any references, including all federal, state, and local entities that have had a business relationship with the applicant. The evaluation panel also may consider past performance information from other sources.

The evaluation panel will make a recommendation to the authorized officer as to which applicant offers the best value to the Government. The authorized officer will make the selection decision. All applicants will be notified of the successful applicant via certified mail.

The Forest Service will conduct a FAD on the selected applicant as a prerequisite to issuing a special use permit, unless the agency has a current fiscal year FAD conducted by the Albuquerque Service Center or SBDC for another Forest Service unit.

The Forest Service reserves the right to reject any and all applications.

The Forest Service reserves the right to rescind the prospectus at any time before a special use permit is issued. If the Forest Service rescinds the prospectus, application fees will be returned.

V. Post-Selection Requirements

Once an applicant has been selected, the following information must be submitted and approved by the Forest Service prior to issuance of a special use permit:

- A final annual operating plan containing all the items included in the annual operating plan submitted in response to the prospectus.
- An annual GT fee offset agreement.
- Documentation of required liability insurance and, if applicable, property insurance.
- Documentation of bonding, if applicable.
- Required deposits and advance payments (*see* Appendix 9 of the prospectus and FS-2700-4h, clause IV.C.1).
- Documentation that utility services have been obtained in the name of the selected applicant.
- A state business license and any other required federal, state, or local certifications or licenses.

The successful applicant will be required to submit all these items within 30 days of the date of the selection letter. If these requirements are not met within the 30-day period, a special use permit will not be issued. The applicant who receives the next-highest rating may then be selected for the special use permit, subject to the same requirements.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all

prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

Appendix 1: Vicinity and Area Maps

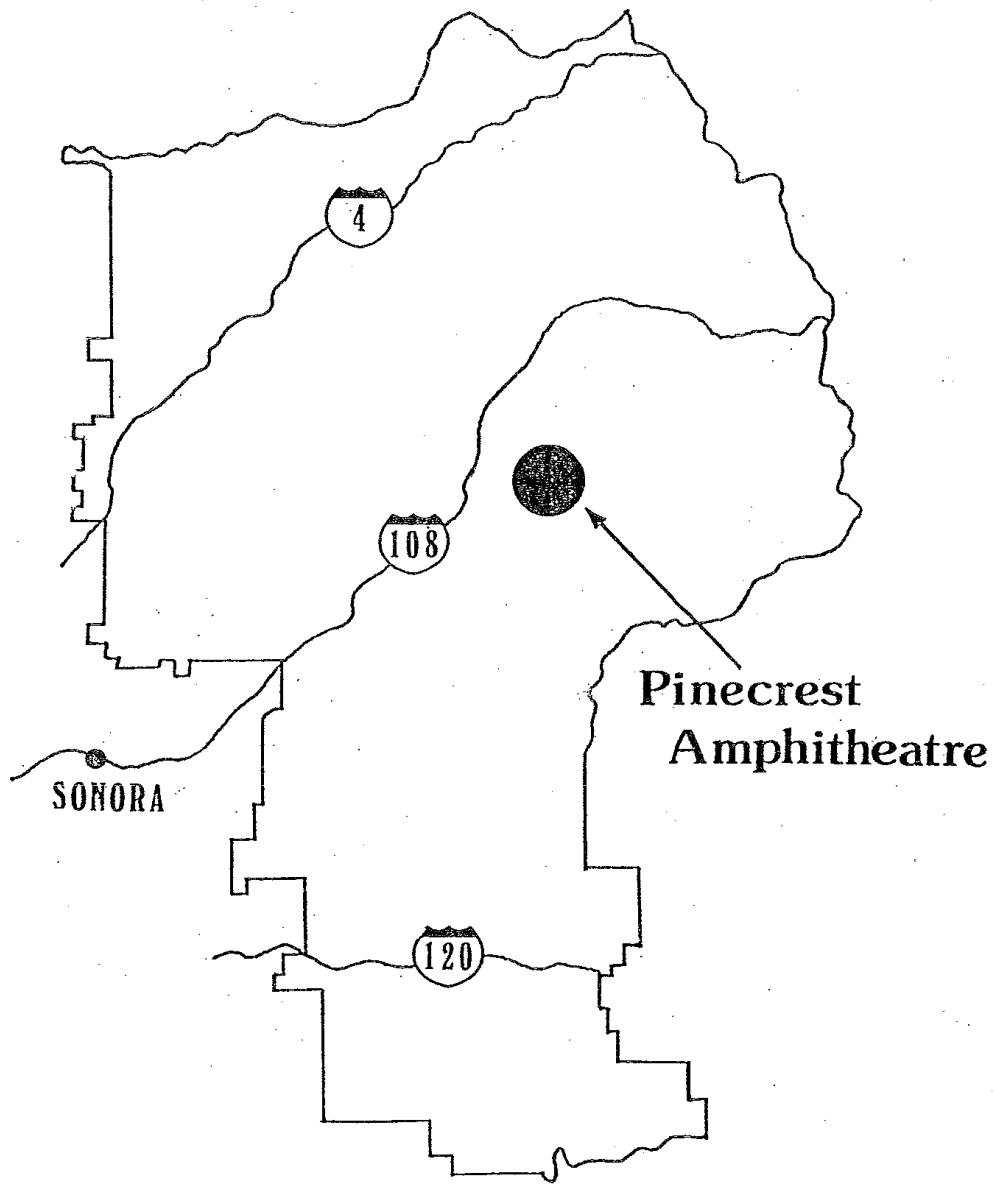
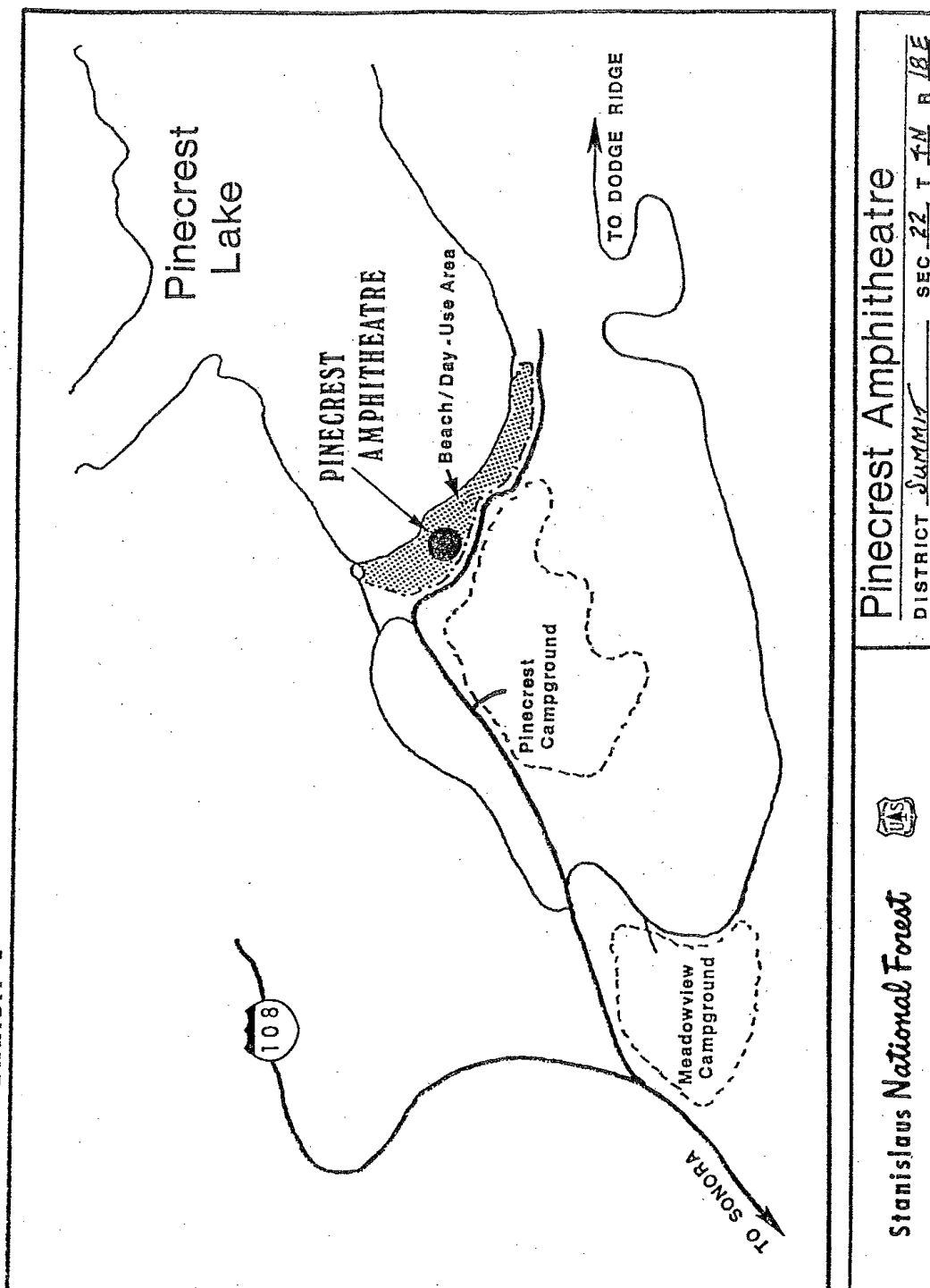


EXHIBIT 1



Stanislaus National Forest

EXHIBIT 2



Stanislaus National Forest



Pinecrest Amphitheatre

DISTRICT *Summit* SEC 22 T 4N R 18E

Appendix 2: Map of Developed Recreation Site Pinecrest Amphitheater



Appendix 3: Inventory of Government-Furnished Property

Pinecrest Amphitheater

Item	Type	Quantity	Replacement Cost Each	Total Replacement Cost
Benches, Wood with backs		80	\$3,000	\$240,000
Wood Podium/Housing				
Lighting panel		1	\$7,500	\$7,500
Audio system conduit & boxes		1	\$12,500	\$12,500
Power Distribution system		1	\$17,500	\$17,500
Speaker System				
Audio Devices		6	\$3,707	\$22,240
6 Speaker poles And wiring			\$47,000	\$47,000
Lighting				
Benches			\$15,000	\$15,000
Aerial			\$13,000	\$13,000
Stage			\$2,600	\$2,600
Fire Ring				
Open pit		1	\$3,000	\$3,000
Restrooms				
5 unit flush		1	\$271,000	\$271,000
Drinking Fountain		1	\$2,500	\$2,500
Amphitheater Stage		1	\$90,000	\$90,000
Signs				
Single panel kiosk		1	\$1,750	\$1,750
Double panel kiosk		1	\$2,000	\$2,000
Screen structure		1	\$10,000	\$10,000
Timber Header		1	\$1,500	\$1,500

Appendix 4: Applicable Regulations

The permit holder should become familiar with the specifics of Codes of Federal Regulations, and Regional and Forest Orders listed below. Additional closure orders may be implemented at any time and permit holder must comply.

CFR	Title	Applicable forest order #
36 CFR 261.3	Interfering with a Forest officer.	
36 CFR 261.4	Disorderly conduct	
36 CFR 261.6	Timber and other forest products	
36 CFR 261.9	Property	
36 CFR 261.10	Occupancy and use	
36 CFR 261.13	Use of vehicles off road	
36 CFR 261.14	Developed recreation sites	
36 CFR 261.15	Admission, recreation use and special recreation permit fees	
36 CFR 261.58	Occupancy and use	
36 CFR 261.58(e)(f)	Occupancy and use	
36 CFR 261.53(e)	Health and safety	
36 CFR 261.58(v)	Occupancy and use.	
	Prohibition of dogs in Pinecrest Day Use Area	STF 2011-06

Appendix 5: Sample Use Report

On the following pages is an example of a use report. This should be tailored to the unique type of concessions that will be administered.

Annual fees collected under the NRRS _____

Taxes paid (end of year report only) _____

Total gross/total revenue (end of year report only) _____

Total net revenue (end of year report only) _____

Appendix 6: Customer Service Comment Card

FS-1300-5, “Customer Service Comment Card” is an official FS form. If a concessionaire does not have a customer service feedback component, use this form. Cards are available in packages of 500 from:

Consolidated Forms and Publications Distribution Center
Washington Commerce Center
3222 Hubbard Road
Landover, Maryland 20785
(301) 436-8450

A sample FS-1300-5 is included on the next page.

Example of a Customer Service Comment Card

Stanislaus National Forest

How Are We Doing?

Name of office/facility and employee visited or contacted _____

City _____ State _____ Date visited or contacted _____

Method of visit /contact _____ In-Person _____ Mail _____ Phone _____ Internet _____

Reason for Visit _____

	Strongly Agree	Agree	Disagree	Strongly Disagree	N/A
Service was prompt and courteous	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Information was what I needed	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Procedures were clear and simple	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Facilities were satisfactory and accessible	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Tech transfer/tech assistance was effective	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>	<input type="radio"/>
Comments or suggestions for improvement (Please tell us how to reach you if you desire a reply)					

Appendix 7: Standard Performance Evaluation Form

**Performance Appraisal Form For
Concession Developed Sites**

Forest: _____
 Ranger District _____

Developed Site: _____ Holder: _____
 Administrator: _____ Date: _____

NOTE: **Bold-faced items** are nationally defined Critical Elements
 for performance inspection/appraisal ratings.

A. PERMIT TERMS	Above Standard	Meets Standard	Below Standard
1. Insurance requirements met			
2. Payments timely			
3. Use reports accurate & timely			
4. Title VI requirements met			
5. Other permit terms met (specify below)			
Communications			
Interpretive Programs			
Miscellaneous Sales			
B. OPERATION & MAINTENANCE PLAN			
1. O&M Plan complete & properly submitted			
2. G/T off-set plan submitted in a timely manner			
3. G/T off-set projects completed to standard			
4. Pre- and post-season ops & maintenance performed to standard and in a timely manner			
C. CUSTOMER SERVICE - This evaluation criteria is related to MM standards			
1. Good PR maintained with Forest visitors			
2. Good comments received from visitors			
3. Fees & services provided as represented			
4. Visitor compliance with FS regs obtained			
D. MEANINGFUL MEASURES			
Health and Cleanliness			
1. Humans free from exposure to human waste			
2. Water and sewage treatment systems meet w/all state & FS standards			
3. Garbage does not exceed container capacities			
4. Garbage containers are animal resistant			
5. Sites are free of litter & animal refuse			
6. Graffiti is removed within 48 hours of discovery.			
7. Toilets & garbage locations are free of			

objectionable odors			
8. "Pack In/Out" message is posted where used, and accumulated trash is removed within 24 hours of discovery			
9. All other facilities are kept clean			
Setting			
1. Effects from recreation use that conflict with environmental laws are analyzed and mitigated			
2. Recreation opportunities and site management are consistent with ROS objectives			
3. Landscape character at all sites is consistent with Forest scenic integrity objective(s)			
4. Existing vegetation management plan(s) are adhered to & vegetation loss or erosion caused by recreation use is corrected or prevented			
5. Numbers of people & vehicles is kept below site capacity			
Safety & Security			
1. Safety inspections completed annually. Documented high risk conditions are corrected prior to use			
2. High-risk conditions that develop during the season are mitigated, or the site is closed			
3. Employees have dependable communications			
4. Activities prohibited under 36 CFR 261.14, sub-part A are dealt with appropriately			
5. Utility systems meet applicable state and local regulations.			
Responsiveness			
1. Facilities, when signed as accessible, meet guidelines in UAOR: A Design Guide			
2. All site entrances are well marked, easily found, and visitors feel welcome			
3. Info boards look fresh, professional, are uncluttered and contain appropriate info. Multi-lingual services are provided as needed			
4. All personnel demonstrate good customer services practices			
Condition of Facilities			
1. All restrooms are functional and in good repair			
2. All facilities, including parking and use sites, meet FS design standards and guidelines in UAOR:A Design Guide, per the transition plan			
3. All structures and facilities meet the INFRA-STRUCTURE definition for good condition			
4. Signs & bulletin boards are well maintained and meet FS standards			
5. Roads are treated to control dust			
6. Vandalism is corrected or mitigated within 1 week of discovery			

Comments and/or corrective actions pertaining to specific items listed above (for this inspection/appraisal(s):

Have all "Below Standard" items from the previous performance inspection/appraisal(s) been corrected?

Holder's comments:

(Continue on a separate sheet of paper if desired)

Performance Inspection/Appraisal(s) Overall Rating System

Nationally, only three performance inspection/appraisal ratings are possible for developed site concession administration. These are: 1) "Above Standard", 2) "Meets Standard" and 3) "Below Standard". These three ratings have been established to provide national consistency and definition for the concession inspection/appraisal rating system. As the Authorized Officer, you may develop additional site-specific rating criteria to assist you in further defining and reaching these three ratings but only these three specific ratings can be used to describe your written rating that is given to the holder. You must also have any additional site-specific rating information presented either as a part of the prospectus or as agreed to with the holder if that criteria is developed after the permit has been authorized.

1. If any Critical Element is rated as "Below Standard", the best possible overall rating is "Below Standard".

With receiving a rating of "Below Standard" for any Critical Element(s), the holder should be given written notice regarding which of the Critical Element(s) did not achieve the "Meets Standard". The performance concerning the Critical Element(s) has to be corrected immediately. Depending on the Critical Element, the permit may be either immediately suspended (i.e. no insurance policy) or the permit administrator may allow continued use but with that Critical Element not available for public use (i.e. a bad water sample).

2. If more than three non-critical elements are rated "Unacceptable," the best possible overall rating is "Below Standard".

With receiving a rating of "Below Standard" for any non-critical element(s), the holder should be given written notice regarding which of the non-critical element(s) did not achieve the "Meets Standard". The performance for these non-critical elements has to be improved prior to the next rating period, which will be defined by the permit administrator. The holder must be issued a written notice for the Opportunity to Take Corrective Action as stipulated in Section VI (B) of the Special-Use Permit (FS-2700-4h (8-02)) by the Authorized Officer or designated permit administrator. This is the required first step towards any suspension and/or revocation of use for all or portions of the permitted use.

3. If any of the elements are found to exceed "Meets Standard", then you must set the rating at "Above Standard".

The holder's signature denotes that the Forest Service representative has discussed this evaluation/appraisal with the holder or his/her representative. A holder's signature does not necessarily constitute an agreement or acceptance of the rating

Signatures:

Holder or Representative: _____ Date: _____

Forest Representative: _____ Date: _____

Appendix 8: Sample Annual Operating Plan

Sample Annual Operating Plan And Annual Operating Plan Outline

This appendix describes the minimum requirements of the holder's Annual Operating Plan and application regarding the operating season, staffing, operations and maintenance services provided, and minimum standards to be met. The Forest Service will use applicant provided information to rate the proposal against the "Proposed Operating Plan" evaluation criteria. The successful applicant's proposal will become a part of his/her Annual Operating Plan. Contact Marie Malo, Interpretive Specialist, Stanislaus National Forest, (209) 965-3434 x5343, for questions.

The holder must meet the additional standards and requirements specified in this section for the recreation sites listed in the prospectus. Applicants are required to propose how they will meet or exceed the minimum standards described in this Appendix (10).

Annual Operating Plan

Table of Contents

1. Operating Season:
 - 1a. Hours of Operation
 - 1b. Pricing Policy
2. Staffing:
 - 2a. Supervision/Management
 - 2b. Personnel
 - 2c. Employee Training
 - 2d. Employee Conduct
 - 2e. Uniforms and Vehicle Identification
3. Customer Service
4. Operations
 - 4a. Interference with Normal Use of Recreation Sites
 - 4b. Standards for Site Facility Cleaning and Maintenance
 - 4b1. All Facilities
 - 4b 2. Toilets
 - 4b 3. Grounds
 - 4b 4. Barriers (parking, road, etc.)
 - 4b 5. Trash Receptacles
 - 4b6. Signs, Bulletin Boards, and Fee Stations
 - 4c. Holder Furnished Property
 - 4d. Quality and Reliability of Equipment
 - 4e. Movie Selections
5. Safety
 - 5a. Safety Inspection
 - 5b. High Risk Conditions
 - 5c. Removal of Hazardous Objects
6. Signs and Posters
 - 8a. Entrance Sign
 - 8b. Title VI Compliance
7. Holder Advertising
8. Fire Prevention
9. Road and Trail Maintenance
10. Communication Systems
11. Herbicides and Pesticides
12. Interpretive Programs
13. Recycling
14. Additional Revenue-Producing Sales, Services, and/or Fees

1. Operating Season:

The minimum season is: **Memorial day to Labor day**, as described in the prospectus in II.C. Recreation Site Description.

Additional times of operation, both full and partial, may be offered.

1a. Hours of Operation

Movies can be viewed just after sunset. Movie start time varies with the time of sunset. Generally, sunset is at 8 p.m. in May, 8:30 p.m. in June and July, and 8 p.m. in August. Ticket sales can begin up to one hour before the start of the movie.

1b. Pricing Policy

State concession fees to be charged to the public for movies and other items.

2. Staffing:

The holder will be responsible for furnishing all personnel, and for adequately training and supervising their activities while performing under the provisions of the permit.

State and Federal laws governing employment, wages, worker safety, etc. must be met. Applicable laws include, but are not limited to, laws governing equal opportunity, civil rights, fair labor standards, minimum wage, Davis-Bacon Wage Rates (for G/T fee off-set), workers' compensation, OSHA regulations, ADA, and immigration laws regarding employment of legal aliens.

2a. Supervision/Management:

A representative(s) who will serve as the liaison(s) between the Holder and the Forest Service and have full authority to act on the terms of the special use permit must be designated. There may be more than one designee, each of whom has the authority to act on one or more permit terms (i.e., one person may deal with operations issues, one may deal with maintenance issues, and another may deal with financial issues). The designee(s) names, or the appropriate job title(s), must be included in the proposal.

State in the proposal the position title and area(s) of responsibility.

2b. Personnel

Provide an organization chart showing each position. Provide a narrative description of each position shown on the organization chart including the title of the position, duties, and indicating full or part time employment.

2c. Employee Training

Describe training to be provided to each position listed on your organization chart.

2d. Employee Conduct

Provide your company's employee conduct policy.

2e. Uniforms and Vehicle Identification

Employees must wear neat, clean, and professional attire that identifies them as concessionaire employee including a name tag with the concessionaire's identify. The official Forest Service uniform, Forest Service volunteer uniform, and components may not be used.

Describe in detail attire for all employee positions.

Vehicles must be clean, quiet, and well maintained with a professional quality sign containing the concessionaire's name displayed on each side of each vehicle used.

Describe in detail vehicles used.

3. Customer Service:

Customers and the visiting public will be responded to in a professional manner to contribute towards a safe and enjoyable experience on the National Forest. A customer service comment card system must be provided. The customer service comment card contained in Appendix 6 may be proposed.

Describe a customer service commitment and provide a comment card system.

4. Operations:

The Holder will be responsible for all tasks associated with the daily operation and maintenance of the Pinecrest Amphitheater area.

4a. Interference with Normal Use of Recreation Sites

Operation, maintenance, and cleaning of grounds and facilities can interfere with the recreational use of the areas by the visiting public.

Describe measures to limit inconvenience and disruption of use by the public.

4b. Standards for Site Facility Cleaning and Maintenance

The holder shall be responsible for meeting the standards listed below when cleaning and maintaining facilities.

Describe how the following ten items (4b1. – 4b6.) will be identified and accomplished.

4b1. All Facilities

Facilities are maintained free of graffiti.

Facilities are clean and well maintained.

Numbers of visitors and vehicles do not exceed site capacity.

A site safety inspection is completed annually, and documented in a format acceptable to the Forest Service. Documented high risk conditions are corrected prior to use.

Utility systems meet applicable state and local regulations.

Facilities, when signed as accessible, meet guidelines in Universal Access to Outdoor Recreation: A Design Guide.

Grass and over hanging brush must be kept trimmed around tables, bulletin boards, water hydrants, barriers, signs, buildings, paths, and other facilities.

4b2. Toilets

To keep humans from unhealthy exposures to human waste, the waste is removed immediately upon discovery or notification.

All other types of sewage treatment systems must meet state and federal standards.

Toilets are clean and free of objectionable odor.

Restrooms are functional and in good repair.

Walkways and trails shall be kept free of obstructions or excess vegetation.

4b3. Grounds

General cleanup and maintenance of the facilities will be accomplished immediately after movie programs.

Developed site shall be free of litter and domestic animal waste.

Effects from recreation use that conflict with environmental laws are analyzed and mitigated as needed.

Loss of vegetation and erosion caused by recreation use is prevented and/or corrected in accordance with approved vegetation management plans.

Nails, ropes, wire, etc. will be removed from trees whenever found.

Grass and other ground vegetation shall be trimmed on a regular basis to maintain a comfortable and inviting environment.

Wind or snow damage must be cleaned up and maintenance performed before the next day's interpretive programs.

4b4. Barriers (parking, road, etc.)

Excess vegetation around barriers shall be trimmed to keep the barrier visible.

4b5. Trash Receptacles

Garbage does not exceed the capacity of the garbage containers.

Garbage locations are clean and free of objectionable odors.

All trash shall be removed from National Forest lands and disposed of in accordance with all state and local laws and regulations.

Describe how trash generated by the movie concession will be collected and removed from the Amphitheater. Funds for electricity and garbage can be placed in a separate account for utilities, or the permit holder may pay for these services directly. State how utilities will be paid

4b6. Signs, Bulletin Boards, and Fee Stations

Information boards look fresh, professional, uncluttered, and contain appropriate current/seasonal information. Multi-lingual information is provided as needed. Signs, bulletin boards, site markers, and fee stations are well maintained, neatly arranged, and meet Forest Service signage standards.

4c. Holder Furnished Property

The permit holder will provide all supplies, equipment, and vehicles necessary to operate the concession site in accordance with permit and AOP requirements. A sample list of holder-furnished property is included in Appendix 19.

4d. Quality and Reliability of Equipment

Movie projector, amplifier, and movie screen will be provided by the permit holder. List types of equipment, and alternate plan for equipment failure including possibility of refunds.

4e. Movie Selections

Movies shall be appropriate for all ages. Movies rated G or PG with edits. Subject matter shall not be of a violent nature or suggest sexual situations. Proposed movie selections must be submitted for review and approval by authorizing officer, no later than 30 days prior to intended show dates. List sources of movies intended for use and examples of movie titles.

5. Safety:

The safety and health of all persons is of the up most importance.

Provide a safety and health plan to address both an annual all encompassing safety and health inspection and a continuing safety and health monitoring program, that addresses the following five areas of concern:

5a. Safety inspections

An annual all encompassing safety and health inspection will be preformed prior to the high use season. This inspection will document all safety and health problems discovered, note corrective action to be taken, and document completion of corrective actions or mitigating measures. Additionally, continuing attention to will be made to new situations presenting a safety or health concern during the operating season. These discoveries, corrective actions or mitigating measures taken will be documented in writing.

5b. High risk conditions

High risk conditions may develop, such as but not limited to the following: weather, environmental, and facility conditions; domestic unrest; etc. It is the holder's responsibility to plan for and react responsibly.

5c. Removal of hazardous objects

Safety hazards, such as but not limited to unsafe branches, tripping hazards, unstable walking surfaces, etc. shall be identified and corrected.

5d. Safety training for employees

The holder is responsible to provide on-going safety training to ensure a safe work environment and inform and educate their employees about working safely and recognizing unsafe conditions.

6. Signs and Posters

All signs must be maintained in a good condition (neat, clean, not faded or torn). Replacement of standard Forest Service signs is the responsibility of the Forest Service. Homemade signs or posters are not allowed. Additional signs should be reviewed by the authorized officer as to location, design, size, color, and content. Commercial advertising is not allowed.

Describe proposed signing as it relates to both Holder and Forest Service provided signs.

6a. Entrance sign

A sign stating that the recreation area is under permit from the U.S. Forest Service and including the name of the permit holder must be posted on the entrance board of all sites. The sign must include contact information for both the permit holder and Forest Service.

6b. Title VI compliance

The holder is required to post and maintain the *And Justice for All* poster and "Welcome To Your National Forests..." poster (Unicor P23-43) as furnished by the Forest Service.

7. Holder advertising

The holder shall accurately represent the accommodations and services provided to the public within the permit area, in all advertisements, signs, brochures, and any other materials. The fact that the permit area is located on the Stanislaus National Forest shall be made readily apparent in all advertising and signing.

All forms of advertising must contain the following words: "X Company is an equal opportunity provider."

Describe proposed media for advertising.

8. Fire Prevention

Provide a fire prevention plan that addresses, at a minimum:

- How the applicant will prevent wildfires and structural fires
- Reporting procedures and emergency response, should a fire occur
- Training and experience of employees, relative to fire
- Fire prevention/suppression tools and equipment that will be on-site

9. Trail Maintenance

The holder is responsible for maintaining pedestrian access in a safe and passable condition and to Forest Service standards. This responsibility includes, but is not limited to, filling chuck holes with asphalt materials on paved surfaces; grading and/or controlling dust on unpaved surfaces; and erosion control through grading, ditching, or use of check dams, regardless of where needed.

Describe a trail/walkway maintenance schedule to accomplish these needs.

10. Communication Systems

The holder is required to provide a means of communication (e.g., two-way radios, cellular phones, etc.) between all employees, the Forest Service, the National Recreation Reservation System, and emergency response agencies. The use of radio frequencies and equipment owned by the Forest Service will not be authorized.

Describe how communications will be complete, timely, and accurate between all affected interests.

11. Herbicides and Pesticides

Herbicides and pesticides may not be used without prior written approval from the Forest Service. A request for approval of planned uses of pesticides shall be submitted annually by the holder on the due date established by the authorized officer. Any request for use shall cover a 12-month period of planned use, beginning 3 months after the reporting date. Only those materials registered by the U.S. Environmental Protection Agency for the specific purpose planned shall be considered for use on National Forest System lands (refer to FS-2700-4h, V.D).

Describe intentions to use specific products.

12. Interpretive programs

Interpretive presentations may address natural and cultural resources, fisheries and wildlife, fire management, water resources, or other topics relative to the National Forest and its management. Interpretive services can take the form of campfire programs, guided walks, brochures, children's activities, displays, or other similar items.

If approved, the holder may charge for interpretive services on the 5th day of concessions. The holder may subcontract the provision of interpretive services with other organizations such as museums, historic societies,

The FS retains the right to present programs at any recreation site on the National Forest, subject to coordination with the holder to avoid conflict with other scheduled activities.

Describe a proposed interpretive services plan to include frequency, content, etc., as outlined in Section IC of the Prospectus

13. Recycling

Recycling of all materials is encouraged.

Describe a recycling program to include types of materials, receptacles, handling, removal, etc.

14. Additional revenue-producing sales, services, and/or fees

Describe and list all additional revenue-producing sales services or fees you propose to provide.

The following is a list of approved sales:

- ❖ sale of food items related to movies

Appendix 9: FS-2700-4h, Special-Use Permit for Campground and Related Granger-Thye Concessions

Authorization ID: #AUTH_ID#
Contact ID: #HOLDER_ID#
Use Code: #USE_CODE#
Expiration Date: 10/31/2012

FS-2700-4h (v.05/09)
OMB No. 0596-0082

U.S. DEPARTMENT OF AGRICULTURE
Forest Service
SPECIAL USE PERMIT FOR
CAMPGROUND AND RELATED GRANGER-THYE CONCESSIONS
Authority: Section 7 of the Granger-Thye Act, 16 U.S.C. 580d
(Ref. FSM 2710)

#HOLDER_NAME#,
#HOLDER_ADD_LINE_1#,
#HOLDER_ADD_LINE_2#, #HOLDER_ADD_LINE_3#,
#HOLDER_CITY#,
#HOLDER_STATE#
#HOLDER_ZIP#

#HOLDER_NAME# (the holder) is hereby authorized to use and occupy National Forest System lands, subject to the conditions below, on the Stanislaus National Forest.

#PURPOSE#

FACILITY

LEGAL DESCRIPTION

ACRES

DISTRICTS

THIS permit covers #USE_ACRES# acres or #USE_MILES# miles, which are described above and are as shown on the location map attached to and made a part of this permit. The above described area shall be referred to herein as the permit area.

THIS permit is issued for the purpose of operating and maintaining a Forest Service developed recreation site(s) as provided herein and in the attached annual operating plan (Appendix A), annual Granger-Thye fee offset agreement (Appendix B), holder maintenance and reconditioning plan (Appendix C), recreation site maps (Appendix D), facility and improvement inventory (Appendix E), and "Operation of Federally Owned Drinking Water Systems" (Appendix F) **<Add any other appendices as needed or delete highlighted text>**, all of which are hereby made a part of this permit.

I. AUTHORITY AND GENERAL TERMS OF THE PERMIT

A. AUTHORITY. This permit is issued under Section 7 of the Granger-Thye Act, 16 U.S.C. 580d, and 36 CFR Part 251, Subpart B, as amended, and is subject to their provisions.

B. AUTHORIZED OFFICER. The authorized officer is the Forest Supervisor who issued this permit or a delegated subordinate officer.

C. TERM. This permit shall expire at midnight on December 31, , years from the date of issuance, provided that the permit term may be extended up to 5 years by amendment at the sole discretion of the authorized officer based on sustained satisfactory performance or administrative need. Expiration of this permit shall not require notice, a decision document, or any environmental analysis or other documentation.

D. RENEWAL. This permit is not renewable. After it expires, continuation of the type of use and occupancy authorized by this permit shall be at the sole discretion of the authorized officer. After expiration, issuance of a new permit for the type of use and occupancy authorized by this permit shall be subject to competition.

E. AMENDMENT. This permit may be amended in whole or in part by the Forest Service when at the discretion of the authorized officer such action is deemed necessary or desirable to incorporate new terms that may be required by law, regulation, forest land and resource management plans, or other management decisions. 2

F. COMPLIANCE WITH LAWS, REGULATIONS, AND OTHER LEGAL REQUIREMENTS. In exercising the rights and privileges granted by this permit, the holder shall comply with all present and future federal laws and regulations and all present and future state, county, and municipal laws, regulations, and other legal requirements that apply to the permit area, to the extent they do not conflict with federal law, regulation, or policy. The Forest Service assumes no responsibility for enforcing laws, regulations, and other legal requirements that fall under the jurisdiction of other governmental entities.

G. NON-EXCLUSIVE USE. The use and occupancy authorized by this permit is not exclusive. The Forest Service reserves a continuing right of access to the permit area, including a continuing right of physical entry to the permit area for inspection, monitoring, or any other purpose consistent with any right or obligation of the United States under any law or regulation. The Forest Service reserves the right to allow others to use the permit area in any way that is not inconsistent with the holder's rights and privileges under this permit, after consultation with all parties involved. Except for any restrictions that the holder and the authorized officer agree are necessary to protect the installation and operation of authorized structures and developments, the lands and waters covered by this permit shall remain open to the public for all lawful purposes. To facilitate public use of this area, all existing roads shall remain open to the public, except for roads that may be closed by joint agreement of the holder and the authorized officer.

H. CHANGE IN CONTROL

1. Notification. The holder shall notify the authorized officer when a change in control of the business entity that holds this permit is contemplated. If the holder is a corporation, change in control means the sale or transfer of a controlling interest in the corporation. If the holder is a partnership or a limited liability company, change in control means the sale or transfer of a controlling interest in the partnership or limited liability company. If the holder is an individual, change in control means the sale or transfer of the business to another party.

2. Termination. This permit is not transferable. Any change in control of the business entity as defined in clause I.H.1 shall cause this permit to terminate upon issuance of a new permit to another party for the use and occupancy authorized by this permit. The party who acquires control of the business entity must submit an application for a permit for the type of use and occupancy authorized by this permit. Issuance of a new permit to the party acquiring control shall be at the sole discretion of the authorized officer. The authorized officer shall determine that the applicant meets requirements under federal regulations. If a new permit is issued to the party acquiring control, the term shall be for no more than the balance of the term of this permit. Once the permit issued to the party acquiring control expires, issuance of a new permit for the type of use and occupancy authorized by this permit shall be subject to competition.

I. LIMITATIONS. Nothing in this permit gives or implies permission to build or maintain any structure or facility or to conduct any activity, unless specifically provided for in this permit. Any use not specifically identified in this permit must be approved by the authorized officer through a new permit or a permit amendment.

II. OPERATIONS, MAINTENANCE, AND RECONDITIONING

A. ANNUAL OPERATING PLAN

1. The holder or his/her designated representative shall prepare and annually revise by _____ an annual operating plan. The annual operating plan shall be prepared in consultation with the authorized officer or his/her designated representative and shall cover all operations authorized by this permit, regardless of season. The annual operating plan shall be submitted by the holder and approved by the authorized officer or his/her designated representative prior to the operating season.

2. The annual operating plan shall specify the operational requirements governing the sites covered by this permit. At a minimum, the annual operating plan shall enumerate the minimum operating seasons; how the holder will provide services to the public; protect public health and safety and the environment; and repair, maintain, or enhance the function of the improvements covered by this permit. The annual operating plan shall contain standards and sufficient detail to enable the Forest Service to monitor operations for compliance.

3. The holder shall perform a condition survey of the water system each year before it is opened. The holder shall prepare a brief written report that notes all deficiencies that may render compliance with Appendix F of this permit (Operation of Federally Owned Drinking Water Systems) and other applicable regulatory requirements infeasible. The condition survey report shall also include a detailed description of all water system deficiencies and/or repair work which the holder has identified as requiring corrective action in order for the system to be in compliance with Appendix F of this permit and applicable Federal and State safe drinking water regulation. If repair work is necessary, a repair plan 3

shall be attached to the condition survey report. The repair plan shall identify all water system components requiring repair, estimated costs for repair and the approximate time schedule to complete the repair. The report shall be sent to the authorized officer at least two weeks prior to opening the system for the season. All deficiencies shall be corrected to the satisfaction of the Forest Service prior to opening the system. Corrections and the date they were made shall be recorded in the condition survey. If the system operates throughout the year, the condition survey shall be submitted to the Forest Service by January 15 each year.

B. MINIMUM USE AND OCCUPANCY. Use and occupancy of the permit area shall be exercised at least days each year, unless otherwise authorized in writing under additional terms of this permit.

C. GRANGER-THYE FEE OFFSET AGREEMENT. Government maintenance and reconditioning projects shall be performed in accordance with an annual Granger-Thye fee offset agreement as provided in clause IV.E.2 of this permit.

D. HOLDER MAINTENANCE, RECONDITIONING OR RENOVATION PLAN. The holder at its expense shall perform holder maintenance, reconditioning, or renovation as defined in clause IV.E.1(d) of this permit under a holder maintenance, reconditioning, or renovation plan approved by the Forest Service. The holder maintenance, reconditioning, or renovation plan shall describe required holder maintenance, reconditioning, or renovation responsibilities and their frequency. The work performed under this plan shall not be subject to fee offset under clause IV.E.

The holder shall maintain all equipment and other facilities on site in good repair and free of leakage of lubricants, fuel, coolants, and hydraulic fluid. The holder shall properly dispose of all hazardous waste- contaminated soil, vegetation, debris; vehicle oil filters (drained of free-flowing oil); oily rags; and waste oil in accordance with local, State, and Federal regulations off of Government property and shall transport such substances, or arrange to have such substances transported in accordance with State and Federal regulations.

E. ALTERATION OF GOVERNMENT IMPROVEMENTS. If during the term of this permit any government-owned improvements are altered in any way, the material, equipment, fixtures or other appurtenances that are affixed to or made a part of those improvements in connection with the alteration shall become the property of the United States, regardless of whether the work is performed by the holder or any other party. The holder shall not be entitled to any compensation for that property, other than to the extent it qualifies for fee offset under clause IV.E.

F. RESPONSIBILITY FOR DAY-TO-DAY ACTIVITIES. As a general rule, the holder shall conduct the day-to-day activities authorized by this permit. Some but not all of these activities may be conducted by a party other than the holder, but only with prior written approval of the authorized officer. The holder shall continue to be responsible for compliance with all the terms of this permit.

G. REMOVAL AND PLANTING OF VEGETATION. This permit does not authorize the cutting of timber or other vegetation. Trees or shrubbery may be removed or destroyed only after the authorized officer or his/her designated agent has approved and marked what may be removed or destroyed. Timber cut or destroyed shall be paid for at current stumpage rates for similar timber in the National Forest. The Forest Service reserves the right to dispose of the merchantable timber to those other than the holder at no stumpage cost to the holder. Unmerchantable material shall be disposed of as directed by the authorized officer. Trees, shrubs, and other plants may be planted in the permit area as approved by the authorized officer.

H. SIGNS. Signs or other advertising posted on National Forest System lands shall be subject to prior written approval of the authorized officer as to location, design, size, color, and content. Erected signs shall be maintained to standards determined by the Forest Service.

I. NONDISCRIMINATION.

1. The holder and its employees shall not discriminate against any person on the basis of race, color, sex (in educational activities), national origin, age, or disability or by curtailing or refusing to furnish accommodations, facilities, services, or use privileges offered to the public generally. In addition, the holder and its employees shall comply with the provisions of Title VI of the Civil Rights Act of 1964 as amended, Section 504 of the Rehabilitation Act of 1973, as amended, Title IX of the Education Amendments of 1972, as amended, and the Age Discrimination Act of 1975, as amended.

2. The holder shall include and require compliance with the above nondiscrimination provisions in any third- party agreement made with respect to the operations authorized under this permit. 4

3. Signs setting forth this policy of nondiscrimination to be furnished by the Forest Service shall be conspicuously displayed at the public entrance to the premises, and at other exterior or interior locations as directed by the Forest Service.

4. The Forest Service shall have the right to enforce the foregoing nondiscrimination provisions by suit for specific performance or by any other available remedy under the laws of the United States or the State in which the violation occurs.

J. EQUAL ACCESS TO FEDERAL PROGRAMS. In addition to the above nondiscrimination policy, the holder agrees to insure that its programs and activities are open to the general public on an equal basis and without regard to any non-merit factor.

K. NATIONAL RECREATION RESERVATION SERVICE (NRRS). The NRRS is the only authorized reservation service to be utilized by the holder. No other reservation service of any kind may be used by the holder. Operational procedures for the NRRS will be developed and placed in the annual operating plan.

III. RIGHTS AND LIABILITIES

A. LEGAL EFFECT OF THE PERMIT. This permit is revocable and terminable. It is not real property, does not convey any interest in real property, and may not be used as collateral for a loan.

B. THIRD-PARTY RIGHTS. This permit is subject to all valid rights and claims of third parties. The United States is not liable to the holder for the exercise of any such right or claim.

C. ABSENCE OF THIRD-PARTY BENEFICIARY RIGHTS. The parties to this permit do not intend to confer any rights on any third party as a beneficiary under this permit, including any party who has responsibility for any day-to-day activities authorized by this permit, if approved by the authorized officer under clause II.F.

<USER NOTES FOR CLAUSE III.D>

< Include clause III.D in special use authorizations when they will involve the use of water and the water development and use will occur on National Forest System lands. Consult FSH 2709.11, section 52.4, clauses D-24 through D-27 for alternate circumstances and choose the appropriate clauses in consultation with the local Forest Service Water Rights Program Manager. Select or fill in the appropriate use in brackets, and delete the bracketed language as appropriate. >

D. WATER RIGHTS AND WATER FACILITIES

1. Water Rights. This permit does not confer any water rights on the holder. The term "water rights" includes all authorizations, such as certificates, reservations, decrees, or permits, for water use issued under state, local, or other law. Any necessary water rights must be acquired by the holder in accordance with state law and the terms of this permit. After this permit is issued, all water rights obtained by the holder for facilities that divert or pump water from sources located on National Forest System lands for use on National Forest System lands, whether authorized or unauthorized, are for the benefit of the United States and shall be acquired in the name of the United States. Any expenses for acquiring water rights shall be the responsibility of the holder and not the responsibility of the United States.

2. Water Facilities. No ditch, reservoir, well, spring, seepage, or other facility to pump, divert, store, or convey water (hereinafter "water facilities") for which the point of diversion, storage, or withdrawal is on National Forest System lands may be initiated, developed, certified, or adjudicated by the holder without prior written approval from the authorized officer. The authorization of any water facilities in the permit area is granted to allow use of water only in connection with the [recreation residence, resort, marina, or other use] authorized by this permit. If the use of any water facilities in connection with this [recreation residence, resort, marina, or other use] ceases, the authorization to use any associated water facilities also ceases. The United States reserves the right to place any conditions on installation, operation, maintenance, and removal of water facilities that are necessary to protect public property, public safety, and natural resources on National Forest System lands in compliance with applicable law. Any change in the beneficial use of or location of use from a water facility without prior written approval from the authorized officer shall result in termination of the authorization of that facility.

<USER NOTES FOR CLAUSE III.D.3.> 5

< Add this paragraph when water rights required for the use to be authorized have already been obtained in accordance with state law in the name of the holder; acquisition of those water rights did not violate the terms and conditions of the permit; and the water development and use will occur on National Forest System lands. Otherwise delete this clause. Select or fill in the appropriate use in brackets, and delete the bracketed language as appropriate. Delete these instructions.>

3. Water Rights Acquired in the Name of the Holder.

a. Identification of Water Rights. The holder has obtained the following water rights for use under this permit in the holder's name:

State ID #: _____

Owner: _____

Purpose of Use: _____

Decree, License, or Certificate: _____

Point of Diversion: _____

b. Revocation or Termination. Upon revocation or termination of this permit, the holder shall transfer the water rights enumerated in paragraph 3a to the succeeding permit holder for use only in connection with the [recreation residence, resort, marina, or other use] authorized by this permit provided that if that [recreation residence, resort, marina, or other use] is not reauthorized, the holder shall promptly petition in accordance with state law to remove from National Forest System lands the point of diversion and water use associated with the water rights or shall relinquish the water rights to the state where they are located.

c. Abandonment. Upon abandonment of the [recreation residence, resort, marina, or other use] authorized by this permit, any of the water rights enumerated in paragraph 3a that remain in the name of the holder at the time of abandonment shall be deemed to have been transferred to the United States to hold for the benefit of any succeeding permit holder for use only in connection with that [recreation residence, resort, marina, or other use]; provided that if that [recreation residence, resort, marina, or other use] is not reauthorized, the United States shall retain the water rights or relinquish them to the state where they are located.

d. Waiver. The holder waives any claims against the United States for compensation for any water rights that are transferred, removed, or relinquished as a result of revocation or termination of this permit or abandonment of the use authorized by this permit, or for compensation in connection with imposition of any conditions on installation, operation, maintenance, and removal of water facilities associated with water rights enumerated in paragraph 3a.

E. RISKS. The holder assumes all risk of the authorized improvements. Loss to the authorized improvements may result from but is not limited to theft, vandalism, fire and any fire-fighting activities (including prescribed burns), avalanches, rising waters, winds, falling limbs or trees, and acts of God. If the authorized improvements are destroyed or substantially damaged, the authorized officer shall conduct an analysis to determine whether the improvements can be safely occupied in the future and whether rebuilding should be allowed. If rebuilding is not allowed, this permit shall terminate.

F. DAMAGE TO UNITED STATES PROPERTY. The holder has an affirmative duty to protect from damage the land, property, and other interests of the United States. Damage includes but is not limited to fire suppression costs, damage to government-owned improvements covered by this permit, and all costs and damages associated with or resulting from the release or threatened release of a hazardous material occurring during or as a result of activities of the holder or the holder's heirs, assigns, agents, employees, contractors, or lessees on, or related to, the lands, property, and other interests covered by this permit. For purposes of clauses III.F, III.H, III.I, and V, "hazardous material" shall mean (a) any hazardous substance under section 101(14) of the Comprehensive Environmental Response, Compensation, and Liability Act (CERCLA), 42 U.S.C. § 9601(14); (b) any pollutant or contaminant under section 101(33) of CERCLA, 42 U.S.C. § 9601(33); (c) any petroleum product or its derivative, including fuel oil, and waste oils; and (d) any hazardous substance, extremely hazardous substance, toxic substance, hazardous waste, ignitable, reactive or corrosive materials, pollutant, contaminant, element, compound, mixture, solution or 6

substance that may pose a present or potential hazard to human health or the environment under any applicable environmental laws.

1. The holder shall avoid damaging or contaminating the environment, including but not limited to the soil, vegetation (such as trees, shrubs, and grass), surface water, and groundwater, during the holder's use and occupancy of the site. If the environment or any government property covered by this permit becomes damaged during the holder's use and occupancy of the site, the holder shall immediately repair the damage or replace the damaged items to the satisfaction of the authorized officer and at no expense to the United States.

2. The holder shall indemnify the United States for any damages arising out of the use and occupancy authorized by this permit, including damage to government-owned improvements covered by this permit. The holder shall be liable for all injury, loss, or damage, including fire suppression, or other costs in connection with rehabilitation or restoration of natural resources associated with the use and occupancy authorized by this permit. Compensation shall include but not be limited to the value of resources damaged or destroyed, the costs of restoration, cleanup, or other mitigation, fire suppression or other types of abatement costs, and all administrative, legal (including attorney's fees), and other costs in connection therewith.

3. With respect to roads, the holder shall be liable for damage to all roads and trails of the United States open to public use caused by use of the holder or the holder's heirs, assigns, agents, employees, contractors, or lessees to the same extent as provided under clause III.F.1, except that liability shall not include reasonable and ordinary wear and tear.

G. HEALTH, SAFETY, AND ENVIRONMENTAL PROTECTION. The holder shall take all measures necessary to protect the environment, natural resources, and the health and safety of all persons affected by the use and occupancy authorized by this permit. The holder shall promptly abate as completely as possible and in compliance with all applicable laws and regulations any physical or mechanical procedure, activity, event, or condition existing or occurring before, during the term of this permit or existing or occurring after the term of this permit and arising out of or relating to any activity, event, or condition existing or occurring during the term of this permit that causes or threatens to cause: a hazard to the safety of workers or to public health or safety; or, harm to the environment (including but not limited to areas of vegetation or timber, fish or other wildlife populations, their habitats, or any other natural resources). The holder shall immediately notify the authorized officer of all serious accidents that occur in connection with such activities. The responsibility to protect the health and safety of all persons affected by the use and occupancy authorized by this permit is solely that of the holder. The Forest Service has no duty under the terms of this permit to inspect the permit area or operations and activities of the holder for hazardous conditions or compliance with health and safety standards.

H. INDEMNIFICATION OF THE UNITED STATES. The holder shall indemnify, defend, and hold the United States harmless for any costs, damages, claims, liabilities, and judgments arising from past, present, and future acts or omissions of the holder in connection with the use and occupancy authorized by this permit. This indemnification and hold harmless provision includes but is not limited to acts and omissions of the holder or the holder's heirs, assigns, agents, employees, contractors, or lessees in connection with the use and occupancy authorized by this permit which result in: (1) violations of any laws and regulations which are now or which may in the future become applicable, and including but not limited to those environmental laws listed in clause V.A of this permit; (2) judgments, claims, demands, penalties, or fees assessed against the United States; (3) costs, expenses, and damages incurred by the United States; or (4) the release or threatened release of any solid waste, hazardous waste, hazardous material, pollutant, contaminant, oil in any form, or petroleum product into the environment. The authorized officer may prescribe terms that allow the holder to replace, repair, restore, or otherwise undertake necessary curative actions to mitigate damages in addition to or as an alternative to monetary indemnification.

USER NOTES FOR CLAUSE III.I

Select the appropriate clause III.I below, in accordance with the type of insurance and holder.

Selection Item 1: For policies with separate limits of coverage for personal injury or death and third party property damage, use the following clauses III.I, III.I.1, and III.I.2.

I. INSURANCE. The holder shall furnish proof of insurance, such as a certificate of insurance, to the authorized officer prior to issuance of this permit and each year thereafter that this permit is in effect. The Forest Service reserves the right to review and approve the insurance policy prior to issuance. The holder shall send an authenticated copy of any insurance policy obtained pursuant to this clause to the Forest Service immediately upon issuance of the policy. Any insurance policies obtained by the holder pursuant to this clause shall name the United States as an additional insured, and the additional insured provision shall provide for insurance coverage for the United States as required ⁷

under this clause. Such policies shall also specify that the insurance company shall give 30 days' prior written notice to the Forest Service of cancellation of or any modification to the policies. Minimum amounts of coverage and other insurance requirements are subject to change at the sole discretion of the authorized officer on the anniversary date of this permit.

1. Liability. The holder shall have in force liability insurance covering losses associated with the use and occupancy authorized by this permit arising from personal injury or death and third-party property damage in the minimum amount of:

\$ for injury or death to one person,

\$ for injury or death to more than one person, and

\$ for third-party property damage.

2. Property. The holder shall have in force property insurance for _____ in the minimum amount of _____ which represents _____ of the insured property. The types of loss to be covered by this clause shall include but not be limited to damage to Government-owned improvements identified herein. At the sole discretion of the authorized officer, the Forest Service may require the holder to use all proceeds from property damage insurance policies to repair, rebuild, restore, or replace damaged government property covered by the policy, or may obtain payment of those proceeds from the concessionaire or the insurance company.

Depending on the holder's operations, the Forest Service may require the holder to demonstrate the availability of funds to address any release or threatened release of hazardous materials that may occur in connection with the holder's use and occupancy. Any requirements imposed would be established on a case-by-case basis by the authorized officer based on the degree of environmental risk from the holder's operations. The use and storage of normal campground maintenance items in nominal amounts would generally not trigger financial assurance requirements.

Selection Item 2: For policies with combined single limits of coverage for personal injury or death and third-party property damage, use the following clauses III.I, III.I.1, and III.I.2.

If the prospective holder is a state or one of its political subdivisions that has statutory or constitutional authorities limiting its liability or obligation to indemnify, the authorized officer shall prepare a risk assessment to determine the potential for loss to the United States from personal injury, death, or property damage caused by the prospective holder's use and occupancy. If the authorized officer determines based on the risk assessment that the potential for personal injury, death, or property damage caused by the prospective holder's use and occupancy exceeds the limitations on the liability or indemnification obligation of the state or its political subdivision, the prospective holder shall, as a precondition to issuance of this permit, procure insurance under the terms of clause III.I of this permit in the amount determined in the risk assessment that exceeds the liability or indemnification limitation of the state or its political subdivision.

I. INSURANCE. The holder shall furnish proof of insurance, such as a certificate of insurance, to the authorized officer prior to issuance of this permit and each year thereafter that this permit is in effect. The Forest Service reserves the right to review and approve the insurance policy prior to issuance. The holder shall send an authenticated copy of any insurance policy obtained pursuant to this clause to the Forest Service immediately upon issuance of the policy. Any insurance policies obtained by the holder pursuant to this clause shall name the United States as an additional insured, and the additional insured provision shall provide for insurance coverage for the United States as required under this clause. Such policies shall also specify that the insurance company shall give 30 days' prior written notice to the Forest Service of cancellation of or any modification to the policies. Minimum amounts of coverage and other insurance requirements are subject to change at the sole discretion of the authorized officer on the anniversary date of this permit.

1. Liability. The holder shall have in force liability insurance covering losses associated with the use and occupancy authorized by this permit arising from personal injury or death and third-party property damage in the minimum amount of \$#LIAB_INS_AMOUNT# as a combined single limit per occurrence.

2. Property. The holder shall have in force property insurance for _____ in the minimum amount of _____ which represents _____ of the insured property. The types of loss to be covered by this clause 8

shall include but not be limited damage to Government-owned improvements identified herein. At the sole discretion of the authorized officer, the Forest Service may require the holder to use all proceeds from property damage insurance policies to repair, rebuild, restore, or replace damaged government property covered by the policy, or may obtain payment of those proceeds from the concessionaire or the insurance company. Depending on the holder's operations, the Forest Service may require the holder to demonstrate the availability of funds to address any release or threatened release of hazardous materials that may occur in connection with the holder's use and occupancy. Any requirements imposed would be established on a case-by-case basis by the authorized officer based on the degree of environmental risk from the holder's operations. The use and storage of normal campground maintenance items in nominal amounts would generally not trigger financial assurance requirements.

Selection Item 3. If the prospective holder is a federal agency, use the following clause III.I.

I. DAMAGE TO NATIONAL FOREST INTERESTS, PROPERTY, OR RESOURCES. As an agency of the United States, the holder is limited by federal law as to the assumption of liability for its acts or omissions. The holder agrees, within its legal limitations and limitations of appropriations, to be responsible for all damages arising from injury to persons or property associated with the use and occupancy authorized by this permit. The holder further agrees, to the extent legally permissible, to use its appropriations and resources as required to pay any claims and to repair damage to the land within the permit area. This provision is intended to shield the appropriations of the Forest Service from any burdens, other than administrative costs, which may arise in connection with the use and occupancy authorized by this permit.

J. PERFORMANCE BOND. The authorized officer may at any time during the term of this permit require the holder to furnish a bond or other security to secure any or all of the obligations imposed by the terms of this permit or any applicable law, regulation, or order. The following terms shall apply if a bond is required.

1. Amount and Form of Bonding. As a further guarantee of compliance with the terms of this permit, the holder agrees to deliver and maintain a surety bond or other acceptable security in the amount of #PERF_BOND_AMOUNT#. In lieu of a bond, the holder may deposit and maintain in a federal depository cash in the foregoing amount or negotiable securities of the United States having a market value at the time of deposit of at least the foregoing dollar amount.

2. Sufficiency of Bonding. The authorized officer may periodically evaluate the adequacy of the bond and increase or decrease the amount as appropriate. Should the bond or other security delivered under this permit become unsatisfactory to the Forest Service, the holder shall within 30 days of demand furnish a new bond or other security issued by a surety that is solvent and satisfactory to the Forest Service.

3. Remedies. The bond shall provide that at the Forest Service's sole discretion the surety shall pay the United States for any loss covered by the bond or, in the event of complete default under the permit, shall pay a third party to operate the concession for the balance of the permit term. The bond shall also provide that selection of a third party to operate the site is subject to Forest Service approval. If the holder fails to meet any of the requirements secured under this clause, the Forest Service has the discretion to require the surety to pay the United States for any loss covered by the bond or, in the event of complete default under the permit, to pay a third party to operate the concession for the balance of the permit term, without prejudice to any other rights and remedies of the United States.

K. SANITATION. The operation and maintenance of all sanitation and food service systems and facilities shall comply with applicable standards set by state and local health departments.

L. REFUSE DISPOSAL. The holder shall comply with all applicable federal, state, and local requirements related to disposal of any refuse resulting from the use and occupancy authorized by this permit.

IV. PERMIT FEES AND ACCOUNTING RECORDS

A. PERMIT FEES. The holder shall pay to the USDA, Forest Service, an annual permit fee for the term of this permit based on the fair market value of the use and occupancy authorized by this permit of _____ percent of adjusted gross revenue as defined in clause IV.B. The minimum annual permit fee for the authorized use and occupancy shall be _____. If the percentage of gross revenue in a given year is less than the minimum annual permit fee, the holder shall pay the minimum annual permit fee. The holder shall pay the permit fee in advance of the authorized use and occupancy, as provided in clause IV.C. Payments due before commercial operations commence pursuant to clause IV.C.1 are not refundable, except to the extent they are subject to fee offset under clause IV.C.3 and IV.E. The 9

Forest Service may adjust the minimum permit fee every five years from the due date of the first annual payment to make the annual permit fee commensurate with the fair market value of the authorized use and occupancy.

B. DEFINITIONS

1. Adjusted Gross Revenue. Gross revenue plus applicable revenue additions, minus applicable revenue exclusions.

2. Gross Revenue. The total amount of receipts from the sale of goods or services provided by the holder or third party under the permit.

3. Revenue Additions. The following are added to gross revenue:

- (a) The value of goods and services that are donated or bartered; and
- (b) The value of gratuities, which are goods, services, or privileges that are not available to the general public.

4. Revenue Exclusions. The following are excluded from gross revenue:

- (a) Amounts paid or payable to a state licensing authority.
- (b) Revenue from the sale of operating equipment and from capitalized or other assets used in authorized operations.
- (c) Refunds of use fees provided to the public by the holder.

C. PAYMENT SCHEDULE

1. Initial Payment. An initial cash payment representing the portion of the estimated annual permit fee for one month of revenue during the operating season (but not less than \$1,500, unless the total permit fee is less than \$1,500) shall be paid in advance of use each year, or the equivalent of that initial cash payment in Granger-Thye (GT) fee offset work shall be performed, beginning when the permit term commences or beginning when use commences each year thereafter. Any initial cash payment is not refundable, except to the extent that all or part of it may be offset by the cost of work performed pursuant to a GT fee offset agreement as provided in clauses IV.C.3 and IV.E.2.

USER NOTES FOR CLAUSE IV.C.2

Select one of the following two clauses based on the total estimated annual permit fee.

Selection Item 1: Select the following clause where the estimated annual permit fee is less than \$10,000.

Revise the payment due dates if the operating season is other than mid-May to mid-September. However, payments must be made at least quarterly. Each payment is due in advance of use.

2. Subsequent Payments. The holder shall report sales, calculate fees due, and make payment in two installments, on _____, and on _____.

Selection Item 2: Select the following clause where the estimated annual permit fee is more than \$10,000.

2. Subsequent Payments. The holder shall report sales, calculate fees due, and make payment each month.

3. Holder-Performed Fee Offset Work.

(a) Work in Lieu of Cash Payments. Notwithstanding clause IV.C.2, the cost of work performed by the holder pursuant to a Granger-Thye fee offset agreement as provided in clause IV.E.2 may be credited in lieu of cash payments against the annual permit fee, provided that the work has been accomplished in accordance with the Granger-Thye fee offset agreement, and has been accepted as completed by the Forest Service before the end of the holder's fiscal year.

In the absence of a current, Granger-Thye fee offset agreement, payment must be made pursuant to clause IV.C.2.

(b) Documentation of Expenses. Prior to reimbursement or credit for Granger-Thye fee-offset work, the holder shall submit sufficient documentation to allow the authorized officer to determine that the costs claimed are allocable to the Granger-Thye fee offset agreement, actual, reasonable, and not unallowable. 10

4. Final Payment. The Forest Service shall reconcile annually the actual permit fee against permit fee payments made and credits for fee offset work. The holder shall pay any additional fees owed for the past year's operation within 30 days of billing.

5. Overpayment. Overpayment of the permit fee will be reimbursed by the Forest Service only if paid pursuant to clauses IV.C.1 and 2. Credit for offset work pursuant to clause IV.C.3 is limited to the amount of the annual permit fee; expenses will not be reimbursed if they are greater than the annual permit fee.

D. DOCUMENTATION OF REVENUE. The holder shall provide documentation of use and revenue for purposes of permit fee verification.

1. Use and Revenue Data. The holder shall submit to the authorized officer on a monthly basis use and revenue data covering each week of the operating season. At a minimum, such data shall consist of the number of sites occupied, all extra vehicle charges, the total number of Golden Age and Golden Access Passports honored, the total amount of use fees collected from the public, and the total amount of other types of revenue collected from the public.

2. Income Statements. No later than 90 days after the close of the holder's fiscal year, the holder shall submit to the authorized officer a statement of income reporting the results of the holder's annual operations. The statement shall include all adjustments, such as taxes deducted, and shall be broken down by categories of sales.

E. GRANGER-THYE FEE OFFSET. Pursuant to 16 U.S.C. 580d, the Forest Service may offset all or part of the permit fee by the amount paid by the holder for renovation, reconditioning, improvement, and maintenance deemed to be the government's responsibility, as defined below, of government-owned improvements and their associated land.

1. Definitions

(a) Maintenance. Actions taken to keep fixed assets in acceptable condition. Maintenance includes preventive maintenance, normal repairs, replacement of parts and structural components, and other activities needed to preserve a fixed asset so that it continues to provide acceptable service and achieves its expected life. Maintenance includes work needed to meet laws, regulations, codes, and other legal direction as long as the original intent or purpose of the fixed asset is not changed. Maintenance excludes activities aimed at expanding capacity of an asset or otherwise upgrading it to serve needs different from or significantly greater than those originally intended, such as construction of new facilities.

(b) Improvement. Advancing a fixed asset to a better quality or state. Improvement includes replacement. Replacement means substitution or exchange of an existing fixed asset or component with one having essentially the same capacity and purpose. Improvement is always the responsibility of the Government rather than the holder.

(c) Reconditioning or Renovation. A type of maintenance that rehabilitates an existing fixed asset or any of its components in order to restore the functionality or life of the asset. Reconditioning and renovation do not include construction of new facilities.

(d) Holder Maintenance, Reconditioning, or Renovation. Maintenance, reconditioning, or renovation that neither materially adds to the value of the property nor appreciably prolongs its life. The work serves only to keep the facility in an ordinary, efficient operating condition. From an accounting or tax perspective, it is work that may be expensed, but not capitalized. Examples include but are not limited to interior decorating, interior painting, vandalism repair, repair of broken windows, light bulb replacement, cleaning, unplugging drains, drive belt replacement, preventive maintenance, lubrication of motors, greasing, servicing, inspecting, oiling, adjusting, tightening, aligning, watering, weeding, sweeping, waxing, refinishing picnic tables, routine housekeeping, and general snow removal. In fulfilling these responsibilities, the holder shall obtain any licenses and certified inspections required by regulatory agencies and follow state and local laws, regulations, and ordinances and industry standards or codes applicable to the permitted operation.

(e) Government Maintenance, Reconditioning, Renovation, or Improvement. Maintenance reconditioning, renovation, or improvement that arrests deterioration, improves and upgrades facilities, and appreciably prolongs the life of the property. Examples include but are not limited to installing a new roof, new floor, or new siding; rebuilding boilers; replacing pipes, pumps, and motors; repairing or maintaining the paths, lands, walks, walls, or landscaping adjacent to other government-owned structures; replacing vault toilets with flush facilities, paving interior roads, upgrading facilities, and installing utilities; and performing exterior painting and refinishing. Exterior painting that repairs unsightly visual marks caused by everyday use does not meet the definition outlined above. Government maintenance, reconditioning, renovation or improvement, whether performed by the holder or the Forest Service, shall be performed at the sole discretion of the authorized officer. 11

2. Granger-Thye Fee Offset Agreement. Before issuance of this permit and before each operating season thereafter, the Forest Service and the holder shall enter into an annual written Granger-Thye fee offset agreement that specifies the government maintenance, reconditioning, renovation and improvement to be used to offset the permit fee. The agreement shall specify whether the concessionaire shall be required or has the option to enter into a collection agreement to have the Forest Service perform the work. The agreement shall enumerate the portion of the permit fee to be offset by the cost of work performed by the holder and the schedule for completion of offset work. Additionally, the agreement shall specify the portion of the permit fee to be offset by the cost of work performed by the Forest Service. The agreement shall specify which projects are to be used for offset that year and shall also include standards for completion of the projects and examples of allowable costs.

3. Collection Agreements for Forest Service Oversight for Major Government Maintenance, Reconditioning, Renovation, and Improvements Performed by the Holder. The Forest Service may require the holder to enter into a collection agreement with the Forest Service to pay the cost of a Forest Service employee administering and overseeing major government maintenance, reconditioning, and improvement projects and offset those costs against the holder's annual permit fee. For purposes of this clause only, a major government maintenance, reconditioning, and improvement project is one costing \$10,000 or more. Allowable costs include monitoring to ascertain that work is being done to Forest Service standards. Allowable costs do not include routine permit administration by the Forest Service. If the Forest Service exercises this option, a separate collection agreement shall be executed by the parties and made a part of this permit.

F. FEE PAYMENT ISSUES

1. Crediting of Payments. Payments shall be credited on the date received by the deposit facility, except that if a payment is received on a non-workday, the payment shall not be credited until the next workday.

2. Disputed Fees. Fees are due and payable by the due date. No appeal of disputed fees will be considered by the Forest Service without full payment of the disputed amount. Adjustments will be made if dictated by settlement terms or an appeal decision.

3. Late Payments

(a) Interest. Pursuant to 31 U.S.C. 3717 *et seq.*, interest shall be charged on any fee amount not paid within 30 days from the date it became due. The rate of interest assessed shall be the higher of the Prompt Payment Act rate or the rate of the current value of funds to the Treasury (i.e., the Treasury tax and loan account rate), as prescribed and published annually or quarterly by the Secretary of the Treasury in the Federal Register and the Treasury Fiscal Requirements Manual Bulletins. Interest on the principal shall accrue from the date the fee amount is due.

(b) Administrative Costs. If the account becomes delinquent, administrative costs to cover processing and handling the delinquency shall be assessed.

(c) Penalties. A penalty of 6% per annum shall be assessed on the total amount that is more than 90 days delinquent and shall accrue from the same date on which interest charges begin to accrue.

(d) Termination for Nonpayment. This permit shall terminate without the necessity of prior notice and opportunity to comply when any permit fee payment is 90 calendar days from the due date in arrears. The holder shall be responsible for the delinquent fees, as well as any other costs of restoring the site to its original condition, including hazardous waste cleanup.

4. Administrative Offset and Credit Reporting. Delinquent fees and other charges associated with the permit shall be subject to all rights and remedies afforded the United States pursuant to 31 U.S.C. 3711 *et seq.* and common law. Delinquencies are subject to any or all of the following:

(a) Administrative offset of payments due the holder from the Forest Service.

(b) If in excess of 60 days, referral to the Department of the Treasury for appropriate collection action as provided by 31 U.S.C. 3711(g)(1).

(c) Offset by the Secretary of the Treasury of any amount due the holder, as provided by 31 U.S.C. 3720 *et seq.*

(d) Disclosure to consumer or commercial credit reporting agencies. 12

G. ACCOUNTING RECORDS AND ACCESS. The holder shall follow generally accepted accounting principles or other cash basis of accounting in recording financial transactions. When requested by the Forest Service, the holder at its own expense shall have its annual accounting records audited by an independent public accountant acceptable to the Forest Service. The holder shall require any party who has responsibility for any day-to-day activities under clause II.F of this permit to comply with these same requirements. The holder shall make all of the accounting books and supporting records for the business activities authorized by this permit, as well as those of any parties authorized to operate under clause II.F of this permit, available for audit by the Forest Service or other federal agencies authorized to review Forest Service activities. The holder shall retain these records and make them available for review for five years after the end of the year they were generated, unless disposition is otherwise authorized by the Forest Service in writing.

V. RESOURCE AND IMPROVEMENT PROTECTION

A. COMPLIANCE WITH ENVIRONMENTAL LAWS. The holder shall in connection with the use and occupancy authorized by this permit comply with all applicable federal, state, and local environmental laws and regulations, including but not limited to those established pursuant to the CERCLA, as amended, 42 U.S.C. 6901 *et seq.*, the Federal Water Pollution Control Act, as amended, 33 U.S.C. 1251 *et seq.*, the Oil Pollution Act, as amended, 33 U.S.C. 2701 *et seq.*, the Clean Air Act, as amended, 42 U.S.C. 7401 *et seq.*, CERCLA, as amended, 42 U.S.C. 9601 *et seq.*, the Toxic Substances Control Act, as amended, 15 U.S.C. 2601 *et seq.*, the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, 7 U.S.C. 136 *et seq.*, and the Safe Drinking Water Act, as amended, 42 U.S.C. 300f *et seq.*

B. WATER SYSTEMS

1. The holder, as the water supplier and operator of the drinking water system, shall operate the system in compliance with Forest Service Manual (FSM) Chapter 7420, applicable federal, state, and local drinking water laws and all regulations applicable to public and nonpublic drinking water systems. This includes, but is not limited to, renovation, operating and maintaining the system and conducting drinking water testing, maintaining records to demonstrate compliance, and taking the appropriate corrective and follow-up actions in accordance with Appendix F of this permit (Operation of Federally Owned Drinking Water Systems) and federal, state, and any other applicable requirements. The holder shall be able to demonstrate compliance with Appendix F of this permit (Operation of Federally Owned Drinking Water Systems) and all other applicable requirements by maintaining all necessary records. For the purposes of this authorization, public water systems are as defined in the Safe Drinking Water Act, 42 U.S.C. 300f *et seq.*, as amended, and in the National Primary Drinking Water Regulations, 40 CFR Part 141, or by state regulations if more stringent. Requirements under FSM 7420 applicable to the holder are set forth in this section and Appendix F to the permit entitled "Operation of Federally Owned Drinking Water Systems."

2. For federally owned systems, the holder shall notify and consult with the Forest Service within 24 hours or on the next business day after notification by the laboratory of a sample that tests positive for microbiological contamination. The holder shall provide a copy of positive lab test to the Forest Service within one week of receiving the lab result. The holder shall notify the State drinking water program and Forest Service within 48 hours of any failure to comply with a federal or state drinking water requirement and make a written record that the notification occurred and place it in the system's record file. The holder shall notify and consult with the Forest Service within 48 hours of notification of a maximum contaminant level violation or an acute violation. The holder shall respond to the microbial contamination event as specified in Appendix F of this permit (Operation of Federally Owned Drinking Water Systems) and applicable regulations.

3. The holder shall retain all records as required by applicable laws and regulations. The holder agrees to make the records available upon request to the Forest Service and to any other regulatory agency authorized to review Forest Service activities. Copies of microbiological test results for federally owned water systems shall be forwarded monthly to the Forest Service by the 15th of the month following the sampling date. Copies of all other drinking water sample results shall be forwarded to the Forest Service at the end of the operating season. If the operating season is longer than six months in length, copies of sample results must be provided to the Forest Service every six months. The holder shall clearly identify all sample results that violate FSM requirements or state, federal, and local requirements when the copies are submitted. Sample results that violate any of these requirements must have the results of required follow up samples attached. Copies of sample results that violate state requirements must have documentation attached to demonstrate that the state was informed of the violation within 48 hours of the lab notifying the holder of the results. The holder shall surrender all records for a federally owned system to the Forest Service upon permit termination or revocation.

4. For federally owned systems, the holder shall provide the name of the water system operator in writing to the Forest Service and notify the authorized officer within 72 hours of a change in personnel. Operators shall be certified to 13

operate drinking water systems for all water systems classified as community or non-transient noncommunity system or when otherwise required by the state in which the system is located. Records to demonstrate operator certification shall be kept by the holder and made available to Forest Service upon request.

C. VANDALISM. The holder shall take reasonable measures to prevent and discourage vandalism and disorderly conduct and when necessary shall contact the appropriate law enforcement officer.

D. PESTICIDE USE. Pesticides may not be used to control undesirable woody and herbaceous vegetation, aquatic plants, insects, rodents, trash fish, and other pests and weeds without prior written approval from the authorized officer. A request for approval of planned uses of pesticides shall be submitted annually by the holder on the due date established by the authorized officer. The report shall cover a 12-month period of planned use beginning 3 months after the reporting date. Information essential for review shall be provided in the form specified. Exceptions to this schedule may be allowed, subject to emergency request and approval, only when unexpected outbreaks of pests or weeds require control measures that were not anticipated at the time an annual report was submitted. Only those materials registered by the U.S. Environmental Protection Agency for the specific purpose planned shall be considered for use on National Forest System lands. Label instructions and all applicable laws and regulations shall be strictly followed in the application of pesticides and disposal of excess materials and containers.

E. ARCHAEOLOGICAL-PALEONTOLOGICAL DISCOVERIES. The holder shall immediately notify the authorized officer of any antiquities or other objects of historic or scientific interest, including but not limited to historic or prehistoric ruins, fossils, or artifacts discovered as the result of operations under this permit. The holder shall leave such discoveries intact until authorized to proceed by the authorized officer. Protective and mitigative measures specified by the authorized officer shall be the responsibility of the holder.

F. NATIVE AMERICAN GRAVES PROTECTION AND REPATRIATION (NAGPRA). In accordance with 25 U.S.C. 3002 (d) and 43 CFR 10.4, if the holder inadvertently discovers human remains, funerary objects, sacred objects, or objects of cultural patrimony on National Forest System lands, the holder shall immediately cease work in the area of the discovery and shall make a reasonable effort to protect and secure the items. The holder shall immediately notify the authorized officer by telephone of the discovery and shall follow up with written confirmation of the discovery. The activity that resulted in the inadvertent discovery may not resume until 30 days after the authorized officer certifies receipt of the written confirmation, if resumption of the activity is otherwise lawful, or at any time if a binding written agreement has been executed between the Forest Service and the affiliated Indian tribes that adopts a recovery plan for the human remains and objects.

G. PROTECTION OF HABITAT OF ENDANGERED, THREATENED, AND SENSITIVE SPECIES. Location of areas needing special measures for protection of plants or animals listed as threatened or endangered under the Endangered Species Act (ESA), 16 U.S.C. 531 *et seq.*, as amended, or as sensitive by the Regional Forester under the authority of Forest Service Manual Chapter 2670, derived from ESA Section 7 consultation, may be shown on a separate map, hereby made a part of this permit, or identified on the ground. Protective and mitigative measures specified by the authorized officer shall be the sole responsibility of the holder. If protective measures prove inadequate, if other such areas are discovered, or if new species are listed as federally threatened or endangered or as sensitive by the Regional Forester, the authorized officer may specify additional protection, regardless of when such facts become known. Discovery of such areas by either party shall be promptly reported to the other party.

H. CONSENT TO STORE HAZARDOUS MATERIALS. The holder shall not store any hazardous materials at the site without prior written approval from the authorized officer. This approval shall not be unreasonably withheld. If the authorized officer provides approval, this permit shall include, or in the case of approval provided after this permit is issued, shall be amended to include specific terms addressing the storage of hazardous materials, including the specific type of materials to be stored, the volume, the type of storage, and a spill plan. Such terms shall be proposed by the holder and are subject to approval by the authorized officer.

USER NOTE FOR CLAUSE V.H.

<Delete instructions and non-applicable clauses prior to printing>

Add the clauses below when consenting to store hazardous materials.

1. If the holder receives consent to store hazardous material, the holder shall identify to the Forest Service any hazardous material to be stored at the site. Such identification information shall be consistent with column (1) of the table of hazardous materials and special provisions given at 49 CFR 172.101 whenever the hazardous material appears in that table. For hazard communication purposes, the holder shall maintain Material Safety Data Sheets for any stored hazardous chemicals, consistent with 29 CFR 1910.1200(c) and (g). In addition, all hazardous materials stored by the holder shall be used, labeled, stored, transported, and disposed of in accordance with all applicable Federal, State, and local laws and regulations. 14

2. The holder shall not release any hazardous material as defined in clause III.F. onto land or into rivers, streams, impoundments, or into natural or man-made channels leading thereto. All prudent and safe attempts must be made to contain any release of these materials. The authorized officer in charge may specify specific conditions that must be met, including conditions more stringent than Federal, State, and local regulations, to prevent releases and protect natural resources.

3. The holder shall immediately notify all appropriate response authorities, including the national Response Center and the Forest Service authorized officer or designated representative, of any oil discharge or of the release of a hazardous substance at the site in an amount greater than or equal to its reportable quantity, in accordance with 33 CFR part 153, subpart B, and 40 CFR 302. For the purposes of this requirement, "oil" is as defined by section 311(a)(1) of the Clean Water Act, 33 U.S.C. 1321(a)(1). The holder shall immediately notify the Forest Service designated representative upon knowledge of any release [or threatened release] of any hazardous material at or in the vicinity of the permit area which may be harmful to public health or welfare or which may adversely affect natural resources under the management authority of the United States.

I. CLEANUP AND REMEDIATION. Except with respect to any federally permitted release as that term is defined under Section 101(10) of CERCLA, 42 U.S.C. 9601(10), the holder shall clean up or otherwise remediate any release, threat of release, or discharge of hazardous materials that occurs either on site or in connection with the holder's activities, whether or not those activities are authorized under this permit. The holder shall perform cleanup or remediation immediately upon discovery of the release, threat of release, or discharge of hazardous materials. The holder shall perform the cleanup or remediation to the satisfaction of the authorized officer and at no expense to the United States. Upon revocation or termination of this permit, the holder shall deliver the site to the Forest Service free and clear of contamination.

J. CERTIFICATION UPON REVOCATION OR TERMINATION. If the holder uses or stores hazardous materials at the site, upon revocation or termination of this permit the holder shall provide the Forest Service with a report certified by a professional or professionals acceptable to the Forest Service that the site covered by this permit is uncontaminated by the presence of hazardous materials and that there has not been a release or discharge of hazardous materials upon the site, into surface water at or near the site, or into groundwater below the site during the term of the permit. If a release or discharge has occurred, the professional or professionals shall document and certify that the release or discharge has been fully remediated and that the site is in compliance with all federal, state, and local laws and regulations.

K. WATER WELLS AND ASSOCIATED PIPELINES.

1. Other Jurisdictional Requirements. Clause III.D. governs water rights and water facilities. The holder shall obtain all required state and local water permits, licenses, registrations, certificates, or rights and shall provide a copy of them to the authorized officer. For new wells, this information shall be provided prior to disturbing National Forest System lands for the purpose of water use or development.

2. Well Construction or Development. For new or reconstruction of existing wells, the holder shall prepare a well construction and development plan and submit it to the authorized officer for approval. The well development and construction plan must have prior written approval from the authorized officer before well construction or development is initiated. The holder shall follow applicable federal, state, and local standards for design, construction, and development of new wells or reconstruction of existing wells. If such standards do not exist, the holder shall follow applicable standards issued by the American Society for Testing and Materials (ASTM), American Water Works Association (AWWA), or National Ground Water Association (NGWA). The construction and development plan must identify all potential sources for any proposed water injection during well construction or development. Only non-chlorinated, potable water may be injected during construction or development of wells to be used for monitoring or water withdrawal. Copies of all documentation for drilling, constructing, or developing wells, including all drilling, boring, and well construction logs, shall be provided to the authorized officer within 60 days of completion of work.

3. Water Conservation Plan. The holder shall prepare and submit for written approval by the authorized officer a water conservation plan utilizing appropriate strategies to limit the amount of water removed from National Forest System lands.

4. Well Decommissioning. The holder shall properly decommission and abandon all wells that are no longer needed or maintained in accordance with applicable federal, state, and local standards for water well abandonment. If such standards do not exist, the holder shall follow applicable standards issued by the 15

ASTM, AWWA, or NGWA. At least 30 days prior to initiation of well decommissioning, the holder shall submit a well decommissioning plan to the authorized officer. The well decommissioning plan shall have written approval from the authorized officer before well decommissioning is initiated. All documentation of well decommissioning shall be provided to the authorized officer within 60 days of completion of the work.

VI. REVOCATION, SUSPENSION, AND TERMINATION

A. REVOCATION AND SUSPENSION. The Forest Service may suspend or revoke this permit in whole or in part:

1. For noncompliance with federal, state, or local laws and regulations.
2. For noncompliance with the terms of this permit.
3. For failure of the holder to exercise the privileges granted by this permit;
4. With the consent of the holder; or
5. At the discretion of the authorized officer, for specific and compelling reasons in the public interest.

B. OPPORTUNITY TO TAKE CORRECTIVE ACTION. Prior to revocation or suspension under clause VI.A, the authorized officer shall give the holder written notice of the grounds for the action to be taken and a reasonable time, not to exceed 30 days, to complete corrective action prescribed by the authorized officer.

C. IMMEDIATE SUSPENSION. The authorized officer may immediately suspend this permit in whole or in part when necessary to protect public health or safety or the environment. The suspension decision must be in writing. Within 48 hours of the request of the holder, the superior of the authorized officer shall arrange for an on-the-ground review of the adverse conditions with the holder. Following this review the superior shall take prompt action to affirm, modify, or cancel the suspension.

D. APPEALS AND REMEDIES. Any written decisions by the authorized officer relating to administration of this permit are subject to the administrative appeal regulations at 36 CFR Part 251, Subpart C, or revisions thereto. Revocation or suspension of this permit shall not give rise to any claim for damages by the holder against the Forest Service.

E. TERMINATION. This permit shall terminate when by its terms a fixed or agreed upon condition, event, or time occurs without any action by the authorized officer. Examples include but are not limited to expiration of the permit by its terms on a specified date and termination upon change of control of the business entity. Termination of this permit is not subject to administrative appeal.

VII. MISCELLANEOUS PROVISIONS

A. REGULATING SERVICES AND RATES. The Forest Service reserves the right to regulate the adequacy, type, and price of services provided to the public and to require that these services conform to satisfactory standards. The holder may be required to furnish a schedule of prices for sales and services authorized by this permit. Such prices and services may be regulated by the Forest Service, provided that the holder shall not be required to charge prices significantly different from those charged by comparable or competing businesses.

B. ADVERTISING. The holder orally and in advertisements, signs, circulars, brochures, letterheads, and other materials shall not misrepresent in any way the accommodations or services provided or the status of the permit or permit area. The fact that the permit area is located on the Stanislaus National Forest shall be made readily apparent in all the holder's brochures and print advertising regarding use of the permit area.

C. CURRENT ADDRESSES. The holder and the Forest Service shall keep each other informed of current mailing addresses, including those necessary for payment of fees.

D. HOLDER REPRESENTATIVE. The holder or a designated representative shall be present on the premises at all times when the facilities are open to the public. The holder shall notify the authorized officer in writing as to who the representative will be.

E. LIQUOR SALES PROHIBITED. The sale of liquors or other intoxicating beverages is prohibited in the permit area.

F. GAMBLING. Gambling or gambling devices shall not be permitted on National Forest System lands, regardless of whether gambling or gambling devices are lawful under state or local law.

G. FIREWORKS. The sale of fireworks is prohibited on land covered by this permit. Possession or use of fireworks on land covered by this permit is also prohibited without prior written approval from the authorized officer. 16

H. DISORDERLY CONDUCT. Disorderly or otherwise objectionable conduct by the holder or those occupying the premises with the holder's permission shall upon proof thereof be cause for revocation of this permit.

I. SERVICES NOT PROVIDED. This permit does not provide for the furnishing of road maintenance, water, fire protection, or any other such service by a government agency, utility, association, or individual.

J. MEMBERS OF CONGRESS. No member of or delegate to Congress or resident commissioner shall benefit from this permit either directly or indirectly, except to the extent the authorized use provides a general benefit to a corporation.

K. SUPERIOR CLAUSES. In the event of any conflict between any of the preceding printed clauses and any subsequent clauses or provisions in the appendices attached to this permit, the preceding printed clauses shall control.

<<Use this signature page for individual(s) and all non-corporate entities. Ensure all user notes are deleted prior to printing>>

This permit is accepted subject to all its terms and conditions.

HOLDER: _____

U.S. DEPARTMENT OF AGRICULTURE
Forest Service

By: _____

By: _____

(Title) _____

(Authorized Officer)

Date: _____

Date: _____

<<Use this signature block for corporations.>>

This permit is accepted subject to all its terms and conditions.

Date: _____

CORPORATE NAME:

(CORPORATE SEAL)

By: _____

(Vice) President

ATTEST: _____

(Assistant) Secretary

The following certificate shall be executed by the Secretary or Assistant Secretary of the corporation:

I, _____, certify that I am the _____ Secretary of the corporation that executed this permit; that _____, who signed this permit on behalf of _____ was then of that corporation; that I know his/her signature; that his/her signature on this permit is genuine; and that this permit was signed, sealed, and attested to on behalf of _____ by authority of its board of directors.

(CORPORATE SEAL)

(Assistant) Secretary

U.S. DEPARTMENT OF AGRICULTURE
Forest Service

By: _____ .
(Authorized Officer)

Date: _____

[Attach annual operating plan, annual Granger-Thye fee offset agreement, holder maintenance and reconditioning plan, recreation site maps, facility and improvement inventory, "Operation of Federally Owned Drinking Water Systems," and any other appendices.]

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

Appendix 10: FS-2700-4h, Appendix B, Granger-Thye Fee Offset Agreement

USDA Forest Service
(v.05/09)

OMB 0596-0082 FS-2700-4h, Appendix B

Authorization ID
Contact ID
Expiration 10/31/2012

Appendix B
ANNUAL GRANGER THYE FEE OFFSET AGREEMENT
SPECIAL USE PERMIT
For Campground and Related Granger-Thye Concessions
AUTHORITY: Section 7 of the Granger-Thye Act, 16 U.S.C. 580d
<Reference FSH 2709.11 chapter 50>

This Annual Granger-Thye (GT) Fee Offset Agreement is made by [name] (the Holder) and the U.S. Department of Agriculture, Forest Service, [name] National Forest (the Forest Service), under section 7 of the G-T Act, 16 U.S.C. 580d, and clause IV.E of the special-use permit issued to the holder on [date] (the permit). The total estimated annual permit fee is [amount]. [] percent of that permit fee may be offset by the cost incurred by the Holder for the Government maintenance, reconditioning, renovation, or improvement (MRRI) projects listed below in accordance with this agreement. Additionally, [] percent of that fee may be offset by the cost incurred by the Forest Service for the Government MRRI projects under a separate collection agreement. Projects to be performed by the Holder shall be completed by the date specified and within the Holder's fiscal year for the year the fee is due. The Forest Service may modify the projects and dates as necessary, after consultation with the Holder.

The actual cost of each project that is satisfactorily completed as determined by the Forest Service may be offset against the holder's permit fee. Due dates and cost estimates for completion of each project are enumerated below. Examples of allowable costs include salaries and wages, materials and supplies, and subcontracts that are direct costs of a G-T fee offset project and indirect costs based on an approved indirect cost rate. The total cost for Government MRRI projects to be performed under this agreement shall not exceed the annual fee.

Upon a determination by the Forest Service that a project has been satisfactorily completed by the holder, the holder shall submit documentation of its actual cost to the Forest Service and shall certify that the representations in that documentation are accurate and complete. The certification shall be signed and dated, and shall state that failure to sign the certification shall vitiate the fee offset claim. The Forest Service shall verify that documentation before giving any credit against the holder's permit fee, and reserves the right not to grant any fee offset if any of the representations in the documentation is inaccurate or incomplete. The Holder shall perform the work itemized below under this agreement.

<u>Description of Project</u>	<u>Due Date</u>	<u>Estimated Cost</u>	<u>Completion Date</u>	<u>Actual Cost</u>
[itemize projects]				

Signed: _____
Holder or Holder's Agent Date

Signed: _____
Authorized Officer Date

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

Appendix 11: Potential Government Maintenance, Reconditioning, Renovation, and Improvement Projects

The maintenance requirements listed below are examples only. Actual maintenance requirements will be included in the annual Operating Plan. The Forest Service will provide standards for these requirements.

<u>Maintenance Requirement</u>	<u>Frequency</u>	<u>Remarks</u>
Straighten/replace broken/missing barriers, sign posts, and kiosks	Within 1 week of discovery	FS must approve materials
Refinish and paint all wooden benches, Prioritizing those in worst condition	Yearly	FS must approve materials
Paint over or remove all graffiti	Immediately	FS must approve materials
Weather-treat and maintain And kiosk at the amphitheater	As needed	FS must approve materials
Clean toilets	After every movie, before the next day recreation begins	To FS standards—Each stall must have at least one toilet paper roll and general tidiness
Remove garbage	After each movie	Do not use FS trash dumpsters. Permit holder provides own trash dumpster or hauls trash off site.
Patrol for, collect and remove Litter	Daily, as needed	To FS Standards
Clean drinking fountain	As needed	To FS Standards
Maintain walking surface	Every 5 years	Color to match surrounding Area

Appendix 12: Indirect Cost Reimbursement Letter

File 2720/6500
Code:
Route
To:

Date: July 11, 2002

Subject: Indirect Cost Reimbursement in Granger-Thye Permits

To: Regional Foresters

Issue. At the request of the National Forest Recreation Association (NFRA) we have evaluated how the Forest Service reimburses the indirect costs of permit holders who perform Granger-Thye (GT) fee offset work. Holders are concerned that forests are inconsistent on whether and how indirect costs are allowed and what documentation is necessary to support a claim for indirect costs.

Background. Under Section 7 of the GT Act, and when authorized by a permit and GT fee offset agreement (GT agreement), the Forest Service offsets all or part of the permit fee paid by campground concessionaires with the cost of Government renovation, reconditioning, improvement, and maintenance performed at the concessionaire's expense on facilities covered by the permit.

When the holder performs the work, it is authorized by an attachment to the permit called a GT fee offset agreement. Alternatively, the Forest Service may enter into a collection agreement as authorized by Section 5 of the GT Act to perform work eligible for fee offset under Section 7.

Historical Practice. Typically the field has offset the holder's direct costs for approved offset work, but reimbursement for the holder's indirect costs has varied. Approaches have included limiting indirect costs to a maximum of 5 percent or 10 percent of the fee to be offset, limiting the type of indirect costs to be reimbursed, or reimbursement of a flat overhead rate without documentation. Review of this issue has shown that these methods are not appropriate, because holders should be reimbursed actual costs. There is a misconception among employees and holders that the Forest Service can reimburse a flat indirect cost rate without documentation. There is often disagreement between forests and holders about what costs may be reimbursed.

Comparison. The Office of Management and Budget (OMB) has issued circulars to guide cost reimbursement for several types of business entities, including Circular A-87 for State and Local Governments and Circular A-122 for Non-Profit Organizations. The Federal Acquisition Regulation (FAR) Part 31 guides cost reimbursement for Commercial (For-Profit) Entities. We evaluated how cost reimbursement is conducted in other agency programs. Regulations at 7 CFR 3019.27 were updated in August 2000 to address the determination of allowable costs for grants and agreements in conformance with applicable OMB circulars. FSH 1509.11, Chapter 70, provides that administration of costs in grants and agreements for commercial entities is subject to FAR Part 31, Contract Cost Principles and Procedures. Adopting these cost standards for GT offset will create

consistency among the program areas of special uses, contracting, and grants and agreements and conform to OMB guidance.

Regional Foresters

2

Conclusion. Offset of indirect costs is appropriate. Indirect costs are a customary charge in contracting and grants and agreements and should be eligible for offset under GT agreements. The following guidance applies to reimbursement of actual costs to commercial entities holding GT permits. The guidance (enclosed) is excerpted from FAR Part 31 and 48 CFR Part 9904 but has been tailored to address GT agreements. A simplified process for small concessions is included at the end of the document. Cost principles for non-profit entities and state or local governmental entities are not addressed. The guidance does not address the reimbursement of agency indirect costs. When the Forest Service performs the work, agency indirect costs will be assessed in accordance with FSH 1509.11, Chapter 33 and indirect cost rates established nationally (e.g., the FY2002 rate is 18 percent).

Implementation.

Before the holder's indirect costs may be offset under a GT agreement, the holder must submit its indirect cost rate and supporting documentation for approval. Determination of an indirect cost rate should comply with the Cost Accounting Standards (CAS) and this guidance. When claiming cost reimbursement, the holder must certify that costs claimed comply with this guidance. Indirect costs based on approved Indirect Cost Allocation Rates (ICAR) should be reimbursed starting with 2002 permit fees. This advice for reimbursement of indirect costs is not retroactive to prior year permit fees.

For New Permits: Applicants must disclose accounting procedures and historic indirect cost allocation rates in response to a prospectus.

For Existing Permits: Holders must submit their ICAR to the authorized officer. Because the ICAR will be the same for all permits held by a specific company, it is recommended that the regional external auditor review and approve the rate. Regional auditors should coordinate the review for companies operating in more than one region.

/S/ TAMARA L. HANAN

/S/ DAVID G. HOLLAND

DAVID G. HOLLAND
Director, Recreation, Heritage,
and Wilderness Resources
cc: Carolyn Holbrook

TAMARA HANAN
Director, Financial Policy
and Analysis

Appendix 13: FS-2700-4h, Appendix G, Granger-Thye Fee Offset Certification

USDA Forest Service

OMB 0596-0082 FS-2700-4h, Appendix G (v.05/09)

Authorization ID
Contact ID
Expiration Date 10/31/2012

APPENDIX G
Granger-Thye Fee Offset Claim Certification
for
SPECIAL USE PERMIT
AUTHORITY: Section 7 of the Granger-Thye Act, 16 U.S.C. 580d
<Reference FSH 2709.11, chapter 50>

NATIONAL FOREST
RANGER DISTRICT
PERMIT NUMBER

Project Name _____ **Holder's Fiscal Year (FY)** _____

Total allowable costs may be offset under a Granger-Thye (GT) fee offset agreement to the extent they do not exceed the total annual fee for this permit. Total allowable costs of a GT project included in this GT claim are the sum of the direct GT project costs and indirect costs allocable to this GT project. Costs submitted under this GT claim will be accepted to the extent they are reasonable, allocable, and determined to be allowable, in accordance with the terms of the permit, GT agreement, and agency policy.

Direct GT Costs: Provide claimed GT costs by cost element and attach schedules to show the cost breakdown by cost element. Provide supporting documentation for the cost claim.

Indirect costs: Indirect costs must be computed based on Forest Service-approved indirect cost rate and may be added to the total direct GT costs. Attach the approved indirect cost rate for FY [] .

Approval of the fee offset claim is subject to all provisions in the Annual Granger-Thye Fee Offset Agreement (FS-2700-4h, Appendix B) executed by the U.S. Department of Agriculture, Forest Service, [name] National Forest, and [holder name] on [date of GT fee offset agreement].

DIRECT GT COSTS

Salaries and Wages \$

Materials and Supplies \$

Subcontracts \$

Other (specify) \$

Sum of Direct GT Costs \$

INDIRECT COSTS ([]% x Direct GT costs) \$

TOTAL GT COST CLAIM FOR PROJECT \$

Subject to the penalties prescribed in the False Statements Act, 18 U.S.C. 1001, the holder certifies to the best of its knowledge that the representations in the documents supporting its claim for fee offset are accurate and complete. The Forest Service reserves the right not to grant the fee offset claim if any of these representations is inaccurate or incomplete. Failure to sign the certification shall vitiate the fee offset claim. 2

Signed: _____ Date: _____

Name of Certifying Official

Title of Certifying Official

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).

To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

Appendix 14: Sample Collection Agreement for Granger-Thye Fee Offset Work

Appendix 6B
Sample Collection Agreement for G-T Fee Offset Work

Collection Agreement

between

[HOLDER]

and

_____ National Forest

THIS COLLECTION AGREEMENT is made by _____ (the holder) and the U.S. Department of Agriculture, Forest Service, _____ National Forest (the Forest Service), under Section 5 of the Granger-Thye Act, 16 U.S.C. 572.

WHEREAS, the holder operates a Forest Service campground under a special-use permit dated _____ (the permit);

WHEREAS, the holder is required to perform certain Government maintenance and reconditioning projects listed in the attached Annual Granger-Thye Fee Offset Agreement (the fee offset agreement);

WHEREAS, **[SELECT EITHER: (1) THE HOLDER HAS REQUESTED THE FOREST SERVICE TO PERFORM AND THE FOREST SERVICE IS WILLING TO PERFORM UNDER A COLLECTION AGREEMENT OR (2) THE FOREST SERVICE IS REQUIRING THAT IT PERFORM UNDER A COLLECTION AGREEMENT]** the following projects listed in the fee offset agreement: _____;

WHEREAS, those projects will be performed from funds deposited or to be deposited by the holder;

WHEREAS, the cost of those projects may be used to offset the permit fee in accordance with the fee offset agreement;

THEREFORE, in consideration of the above, the parties agree as follows:

The holder shall:

1. Make advance payments, in accordance with the permit, in amounts sufficient to cover the total cost of performing the Government maintenance and reconditioning work listed in this agreement, including overhead as determined by the Forest Service up to ___ percent of project costs.

The Forest Service shall:

1. Deposit payments received from the holder under this agreement into the Forest Service cooperative work fund.
2. Upon receipt of payment from the holder, perform the Government maintenance and reconditioning projects listed in this agreement.
3. Upon completion of a project listed in this agreement, reimburse the holder for any amount paid under this agreement that exceeds the cost of the project, provided that in the alternative the holder may ask the Forest Service to hold the funds and apply them to the next permit fee payment.

It is mutually agreed that:

1. No member of or delegate to Congress or resident commissioner shall receive any benefit that may arise from this agreement; provided, that this provision shall not apply to this agreement if it is made with a corporation for its general benefit.
2. This agreement in no way restricts the Forest Service or the holder from participating in similar activities with other public or private agencies, organizations, or individuals.
3. Any holder contributions made under this agreement do not directly or indirectly convey Forest Service endorsement of the holder's products or activities.
4. Modifications to this agreement shall be made by mutual consent of the parties and shall be signed and dated by both parties. The Forest Service is not obligated to fund any modifications that are not made in accordance with this clause.
5. Either party may terminate the agreement, in whole or in part, by providing 60 days' written notice. If the agreement is terminated in part, the Forest Service shall not incur any new obligations for the terminated portion of the agreement after the effective date of termination. If the agreement is terminated in whole or in part, the Forest Service shall cancel as many of its obligations as possible. Full credit shall be allowed for all Forest Service expenses and noncancelable obligations properly incurred up to the effective date of termination. Any funds on deposit may be held by the Forest Service beyond the termination date to meet obligations incurred prior to termination, and to pay any other obligations the holder may owe the United States.
6. Unless terminated by written notice, this agreement shall remain in effect until the end of the initial permit term is extended, this agreement may be extended for the same period as the permit term.
7. Per 16 U.S.C. 572, the United States shall not be liable to the holder or the holder's heirs, assigns, agents, employees, contractors, or lessees for any loss, personal injury, or death occurring in connection with performance of work under this agreement, and the holder on behalf of itself and its heirs, assigns, agents, employees, contractors, and lessees hereby waives any and all claims against the United States for compensation for any loss, personal injury, or death occurring in connection with performance of work under this agreement.
8. The principal contacts for this agreement are:

IN WITNESS WHEREOF, the parties have executed this agreement as of the last date written below.

Date [Title] for [HOLDER NAME]

Date Authorized Officer

National Forest

Appendix 15: Sample Business Plan

**R5 Business Plan
For
Concessions
Pacific Southwest Region
Of the
USDA Forest Service**



**A Proposal in Response to
the _____Prospectus for:**

on the

_____ **National Forest**

Name of Company: _____

Address: _____

Company Contact: _____

Phone: _____

Contents

Part I: The Business.....	
Purpose and Goals.....	
Description of the Business.....	
Legal Structure.....	
Location of Your Business.....	
Market and Customers.....	
Competitive Analysis	
Management.....	
Personnel.....	
Part II: Financial Data.....	
Capital-Equipment List.....	
Start-Up Expenses.....	
Sources and Uses of Financing.....	
Monthly Cash Flow Projection.....	
Monthly Cash Flow Projection Spreadsheet.....	
Start-Up Balance Sheet.....	
Start-Up Income Statement Projection.....	
Start-Up Income Statement Projection Spreadsheet.....	
Part III: Historical Financial Reports for Existing Business.....	
Part IV: Supporting Documents.....	
Part V: Appendices.....	
Legal Organization.....	
Sole Proprietorship.....	
General Partnership.....	
Corporation.....	
Limited Partnership.....	
Limited Liability Company (LLC).....	

Part I: The Business

1. Purpose and Goals:

- A. What is your purpose in pursuing this business?
- B. Define your business goals for the next year and what you foresee five years from now:

2. Description of the Business:

This section should describe the nature and purpose of the company, background on your industry, and what opportunities you see for your services.

- A. Brief description of the business:
- B. Briefly describe your knowledge of this industry:
- C. List the products and services you will provide:

3. Legal Structure:

There are several ways in which your business can be legally organized.

- A. How is your company legally organized? (Check appropriate box).

- ☐ Sole Proprietorship
- ☐ General Partnership
- ☐ Corporation "C" Corp or "S" Corp
- ☐ Limited Partnership
- ☐ Limited Liability Company (LLC)
- ☐ Other

- B. Why is this legal organization most appropriate for your business?

- C. Does your operation require a state registration number? *YES* __ *NO* __.

(If ``Yes'', include a copy of the registration in the Supporting Documents.)

Include any appropriate information, including shareholder or partnership agreements, in the Supporting Documents, and complete the following list of owners:

<i>Name</i>	<i>Address</i>	<i>SSN</i>	<i>% Ownership</i>

4. Location of Your Business:

Describe the planned geographical location of the business and discuss the advantages and disadvantages of the site location in terms of wage rates, labor availability, closeness to customers or suppliers, access to transportation, state and local taxes, laws, and utilities. Describe your approach to overcoming any problems associated with the location.

- A. Planned geographical location:
- B. Discuss advantages or disadvantages of the site location:
- C. Describe your approach to overcoming any problems:

5. Market and Customers:

The purpose of this section is to present sufficient facts to convince the evaluation team that your service has a substantial market and can achieve success in the face of competition. Discuss who the customers are for your service. Where are the major purchasers for the service?

- A. Describe your anticipated target market (e.g., age, income, hobbies, regional, national, international):
- B. Describe the size of the current total market and potential annual growth:
- C. Discuss your advertising campaign in terms of how, when, and where you will advertise, and estimated annual cost:

6. Competitive Analysis:

Make a realistic assessment of the strengths and weaknesses of your competitors. Compare the competing services on the basis of image, location, price, advertising, and other pertinent features. Discuss your key competitors and explain why you think that you can capture a share of their business. Discuss what makes you think it will be easy or difficult to compete with them.

- A. Identify your key competitors:
- B. Discuss their strengths and weaknesses.
- C. Compare your product or service on key areas. For each area of comparison rank yourself and your selected competitors on a scale of 1 (high) to 5 (low). Remember: no ties.

<i>Area of Comparison</i>	<i>Competitors</i>				
	<i>You</i>	<i>A</i>	<i>B</i>	<i>C</i>	<i>D</i>
<i>Image</i>					
<i>Location</i>					
<i>Price</i>					
<i>Advertising</i>					
<i>Service</i>					
<i>Uniqueness</i>					
<i>Other</i>					

- D. Why do you think you can compete with your competitors and capture a share of the market?

7. Management:

The evaluation team is looking for a committed management team with the proper balance of technical, managerial, and business skills and experience which supports your proposal. Be sure to include complete resumes for each key management member in the Supporting Documents section.

(Use additional pages and attach as necessary)

- A. List owners and key management personnel and their primary duties. If any key individuals will not be onboard at the start of the venture, indicate when they will join the staff.
- B. Discuss any experience when the above people have worked together that indicates how their skills complement each other and result in an effective management team.
- C. List the advisors and consultants that you have selected for your venture. Capable, reputable, and well-known supporting organizations can not only provide significant direct and professional assistance, but also can add to the credibility of your venture.

Accountant _____

Attorney _____

Banker _____

Insurance Broker _____

Advertising_____

Others _____

8. Personnel:

Explain how you plan to recruit, develop, and maintain your workers. List the number of employees you will have, as well as their job titles and required skills. (Use additional pages as necessary)

A. Identify essential employees, their job titles, and required skills:

B. Identify the source and your plan to recruit essential employees:

C. Discuss any training or retraining that you plan for your employees. Also, discuss any necessary first-aid certification or recertification, etc:

Part II: Financial Data

1. Capital-Equipment List:

Capital equipment is defined as assets which have useful lives of more than one year. Examples include machines, equipment, vehicles, livestock, tack, gear, and computers. Describe the equipment, the quantity, whether the equipment is new or used (N/U), the expected useful life, and the cost. This includes equipment purchased from existing businesses.

Equipment	Quantity	N/U	Life	Cost
Total Cost of Capital Equipment				\$

2. Start-Up Expenses:

Start-up expenses are the various costs it takes to open your doors for business:

Item	Cost
Total cost of capital equipment	\$ _____
Beginning inventory of operating supplies	_____
Legal fees	_____
Accounting fees	_____
Other professional fees	_____
Licenses and permits	_____
Remodeling and repair work	_____
Deposits (public utilities, etc.)	_____
Advertising	_____
Insurance	_____
Bonds	_____
Advance permit fees	_____
Other expenses:	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
_____	_____
Total Start-Up Expenses	\$ _____

3. Sources and Uses of Financing:

A. Sources of Financing:

Investment of cash by owners	\$ _____
Investment of cash by shareholders	_____

Investment of non-cash assets by owners	_____
Investment of non-cash assets by shareholders	_____
Bank loans to business: short term (one year or less)	_____
Bank loans to business: long term (more than one year)	_____
Bank loans secured by personal assets	_____
Small Business Administration loans	_____
Other sources of financing (specify)	_____

Total Sources of Financing	\$ _____
-----------------------------------	-----------------

B. Uses of Financing:

Buildings	\$ _____
Equipment	_____
Initial inventory	_____
Working capital to pay operation expenses	_____
Noncash assets contributed by owners (use same amount as in Sources, above)	_____
Other assets (specify)	_____

Total Uses of Financing	\$ _____
--------------------------------	-----------------

C. Monthly Cash Flow Projection:

The cash flow projection is the most important financial planning tool available to you. The cash flow projection attempts to budget the cash needs of a business and shows how cash will flow in and out of the business over a stated period of time. A cash flow deals only with actual cash transactions. Depreciation, a noncash expense, does not appear on a cash flow. Loan repayments (including interest), on the other hand, do, since they represent a cash disbursement.

NOTE: The Cash Flow Projection chart on the following page is required to be completed and submitted in the existing format.

Cash Flow Projection (or Cash Flow Budget) by Month: Year One

	A	B	C	D	E	F	G	H	I	J	K	L	M	N
1		Oct	Nov	Dec	Jan	Feb	March	April	May	June	July	Aug	Sept	TOTAL
2	Cash Reciepts													
3	Sales Receivables													
4	Wholesale													
5	Retail													
6	Other Services													
7	Total Cash Receipts													
8	Cash Disbursements													
9	Cost of Goods													
10	Variable Labor													
11	Advertising													
12	Insurance													
13	Legal and Accounting													
14	Delivery Expenses													
15	Fixed Cash Disbursements*													
16	Mortgages (Rent)													
17	Term Loan													
18	Line of Credit													
19	Other													
20	Total Cash Disbursements													
21														
22	Net Cash Flow													
23														
24	Cumulative Cash Flow													
25														
26	*Fixed Cash Disbursements													
27	Utilities													
28	Salaries													
29	Payroll Taxes and Benefits													
30	Office Supplies													
31	Maintenance and cleaning													
32	Licenses													
33	Boxes, Paper, etc.													
34	Telephone													
35	Miscellaneous													
36	Total FCD/Year													
37	FCD/Month													
38														
39	Cash on Hand													
40	Opening Balance													
41	+ Cash Receipts													
42	-Cash Disbursements													
43	Total = New Balance													

D. Start-Up Balance Sheet:

Balance sheets are designed to show how the assets, liabilities, and net worth of a company are distributed at a given point in time.

NOTE: The following Start-up Balance Sheet is required to be completed and submitted in the existing format.

Start-Up Balance Sheet

Assets:

Current Assets		\$ _____
Fixed Assets	\$ _____	
Less Accumulated Depreciation	\$ _____	
Net Fixed Assets		\$ _____
Other Assets		\$ _____
Total Assets		\$ _____

Footnotes:

Liabilities

Current Liabilities	\$ _____
Long-Term Liabilities	\$ _____
Total Liabilities	\$ _____

Net Worth or Owner's Equity	\$ _____
(Total assets minus total liabilities)	
Total Liabilities and Net Worth	\$ _____

Footnotes:

E. Start-Up Income Statement Projection:

Income Statements (also called Profit and Loss Statements) complement balance sheets. The income statement provides a moving picture of the company during a particular period of time. For most businesses (and for most bankers), income projections covering one to three years are more than adequate.

If you are in a start-up situation, look for financial-statement information and income ratios for businesses similar to yours. The Robert Morris Associates' *Annual Statement Studies* and trade association publications are two possible sources.

NOTE: The following Income Projection Statement is required to be completed and submitted in the existing format.

[illegible]

Part III: Historical Financial Reports for Existing Business

1. Each applicant is required to submit all four items listed below.

- ____ 1. Balance sheet (past three years)
- ____ 2. Income statement (past three years)
- ____ 3. Tax returns (past three years)
- ____ 4. Current credit report from major credit bureau

Part IV: Supporting Documents

1. Each applicant is required to submit all five items listed below.

- ____ 1. Personal resumes of business owners, officers, and partners
- ____ 2. Personal financial statements of business owners, officers, and partners
- ____ 3. Bank or investor letters of intent to finance project
- ____ 4. Copies of business leases pertinent to this business
- ____ 5. Copies of all pertinent existing permits or licenses applicable to this business

(Submit only the face pages of all current concession permits)

Part V: Appendices

Legal Organization:

The more popular legal organizations and their reasons are outlined below

1. Sole Proprietorship

A sole proprietorship is a business owned by one person. This form of business is regulated by the state only in that some states requires you to register your trade name to do business as a sole proprietor. You do not have to register with the state if you are operating your business under your own full legal name. (Note: You must be licensed where required, and pay all appropriate taxes.)

Advantages:

- Simple to start.
- Easy to dissolve.
- Owner makes all management decisions.
- Pay only personal income tax; business entity not taxed separately.

Disadvantages:

- Unlimited liability (owner legally liable for all debts, claims and judgments).
- Difficulty in raising additional funds.
- No one to share the management burden.
- Impermanence (company can't be sold or passed on; however, you may sell or pass on assets of the company).

2. General Partnership:

A partnership is an association of two or more persons to carry on as co-owners of a business for profit. Some states require that you register your name if it is a trade name (not your full legal name). You must file state and Federal "information returns," but business income and losses flow through to the partners' personal taxes. The business pays no separate income taxes. Partners may share the profits of the business (and the losses) on an equal basis, or may pro rate the

proceeds as set forth in a Partnership Agreement. Whichever way you determine to share in the business, you need to have a written Partnership Agreement outlining the ownership, responsibilities, and eventualities of dissolution or liquidation for the business.

Advantages:

- Simple to start.
- Fairly easy to dissolve.
- Additional sources of capital from partners.
- Broader management base.
- More opportunity for each partner to specialize.
- Tax advantages: no separate income tax.
- Limited outside regulation, compared to a corporation.

Disadvantages:

- Unlimited financial liability for all general partners (some partners' personal debts can even be charged to the business).
- Difficulty in raising outside capital.
- Divided authority.
- Continuity problems (business dies when any partner leaves or dies, unless succession has previously been spelled out in a Partnership Agreement. Partnership terminates in the event of a personal bankruptcy on the part of any partner).
- Difficult to find suitable (compatible) partners.
- One partner may be responsible for the actions of another partner, regardless of whether that partner had prior approval.

3. Corporation:

There are two types of corporations generally recognized today: a regular "C" corporation, organized under the laws of the state in which you do business; and an "S" Corporation, so designated by the IRS and not necessarily recognized by your state.

A corporation is a business entity separate and distinct from its owner(s) or shareholder(s). You must file incorporation papers with the state of your choice. The corporation must file annual reports with the Secretary of State, and may have to file separate quarterly income tax returns. The corporation exists forever, can be bought and sold, and is regulated by the state.

"C" Corporation Advantages:

Limited liability (as long as you *act* like a corporation which means having a separate checking account and phone number, paying interest on any borrowed money, keeping up a corporate record book, filing annual reports, meeting with your Board of Directors at least annually, etc.).

- Easier to bring in additional capital.
- Ownership is transferable.
- Company has continuous, perpetual existence.
- Possible tax advantages (seek adequate advice from a tax professional).
- Gives you more sense of permanence, thus more "weight," in the business world.

"C" Corporation Disadvantages:

- More expensive to organize.
- Highly regulated.
- Extensive record-keeping requirements.
- Double taxation (corporation pays its own income taxes; if you pay yourself a salary or a dividend, you also pay personal income taxes).
- Shareholders/Board of Directors may counter your management decisions.

"S" Corporation Advantages

- Filing a Subchapter Selection with the Internal Revenue Service allows you to be taxed on your corporate profits through your personal tax return.
- You still maintain the limited liability of a corporation.
- If you have additional personal income against which to deduct company losses, or if your personal tax rate is lower than the corporate tax rate, this form may be advantageous for you. Again, please seek professional tax advice to make this determination.

“S” Corporation Disadvantages

- There are some restrictions on "S" corporations, mainly in how you can sell your shares. You can have a maximum of 35 shareholders, all of whom must be U.S. citizens, and be individuals (not corporations).
- You must request permission from the IRS to be an "S" corporation, and generally, must maintain the calendar year as your fiscal year.

4. Limited Partnership

In a Limited Partnership, there are two kinds of partners: general partners, who carry full liability; and limited partners, who carry limited liability. Limited partners must make known, through filing with the Secretary of state that they indeed are limited partners, and they may not participate in the day-to-day management of the business. Again, as in the "S" Corporation, profits from Limited Partnerships are taxed through each partner's personal tax return. Limited partnerships are popular in industries where a great deal of "up-front" money is needed for projects that are expected to produce a high return, such as in real estate, energy, movie production, and sports teams.

5. Limited Liability Company (LLC)

While wearing the corporate form, essentially, an "LLC" is similar to a Limited Partnership, except the general partner also carries limited liability. Profits are taxed through individual owners' personal tax returns. The advantage of this form over an "S" Corporation is that other corporations may be owners, and the "LLC" may also hold 100% ownership in subsidiary companies.

Be aware that the "LLC" is a relatively new business form. Legal precedents have not yet been set to outline clearly all the legal and tax ramifications of this form of organization. If interested in becoming an "LLC", you are strongly urged to seek competent, professional legal and tax advice.

Appendix 16: FS-6500-24, Financial Statement

FINANCIAL STATEMENT

(Ref. 36 CFR 223.7(e), 36 CFR 251.54(e)(2), Federal Acquisition Regulation 48 CFR 9.104-1.)

INSTRUCTIONS: Forest Service (FS) requires the respondent to provide the most recent fiscal year financial statement. FS may also request the respondent to provide two additional years of financial data, on a case by case basis. If more space is needed to fully answer any item below, attach additional sheets.

1. NAME OF CORPORATION, PARTNERSHIP, OR PROPRIETORSHIP (include any names the organization/firm operated under during past three years and specify the year operated for each name):

2. STATE INCORPORATED

3. DATE INCORPORATED

4. ADDRESS OF PRINCIPAL PLACE OF BUSINESS (*with ZIP CODE*)

5. IF PARTNERSHIP, NAMES OR PARTNERS, AND THEIR PARTNERSHIP INTERESTS

6. NAMES, TITLES, AND ADDRESSES OF CORPORATE OFFICERS AND DIRECTORS, WITH NUMBER OF SHARES OF STOCK OWNED BY EACH

FULL NAME

TITLE

ADDRESS
(Number, Street, City,
State, and ZIP CODE)

SHARES OWNED

7. REFERENCES (At least three should be given, preferable banks):

Full Name

ADDRESS
(Number, Street, City, State, and ZIP CODE)

NOTE: Respondents may submit certified financial statements in lieu of answering PARTS A through C on the next pages. However, respondents must complete either certification statement PART D (1) or PART D (2) at the bottom of the last page.

USDA Forest Service FS-6500-24 (v.05/09) Exp. (10/31/2012) - Page 2

PART A. BALANCE SHEET				CURRENT YEAR (MO/DA/YR)	PAST YEAR (MO/DA/YR)	THIRD YEAR (MO/DA/YR)
YEAR ENDED						
ASSETS						
CURRENT ASSETS:						
CASH						
RECEIVABLES-TRADE						
LESS ALLOWANCES FOR DOUBTFUL ACCOUNTS				< >	< >	< >
INVENTORIES (LIST MAJOR CATEGORIES):						
SUPPLIES AND MISCELLANEOUS						
MARKETABLE SECURITIES						
PREPAID EXPENSES						
SUPPLIES INVENTORY						
OTHER CURRENT ASSETS:						
TOTAL CURRENT ASSETS						
FIXED ASSETS:						
LAND						
BUILDINGS						
MACHINERY AND EQUIPMENT						
PLANT						
LEASEHOLD IMPROVEMENTS						
OTHER						
LESS ALLOWANCE FOR DEPRECIATION						
BOOK VALUE-FIXED ASSETS						
OTHER ASSETS:						
DEPOSITS-CASH						
DEPOSITS-SECURITIES						
TOTAL-OTHER ASSETS						
TOTAL ASSETS						

USDA Forest Service FS-6500-24 (v.05/09) Exp. (10/31/2012) - Page 3

LIABILITIES AND OWNER EQUITY	CURRENT YEAR	PAST YEAR	THIRD YEAR
CURRENT LIABILITIES:			
ACCOUNTS PAYABLE-TRADE			
ACCRUED PAYROLL			
ACCRUED PAYROLL TAXES AND INSURANCE			
NOTES PAYABLE			
INCOME TAXES-CURRENT			
OTHER TAXES			
CURRENT PORTION OF LONG-TERM DEBT			
OTHER CURRENT LIABILITIES (SPECIFY):			
TOTAL CURRENT LIABILITIES			
OTHER LIABILITIES:			
DEFERRED INCOME TAXES			
LOANS FROM OFFICERS/PARTNERS			
LONG-TERM OBLIGATIONS-LESS CURRENT AMOUNT			
TOTAL OTHER LIABILITIES			
TOTAL LIABILITIES			
OWNER EQUITY:			
CAPITAL STOCK OUTSTANDING			
RETAINED EARNINGS (DEFICIT)			
PARTNERS' INVESTMENT (DEFICIT)			
TOTAL OWNER EQUITY			
TOTAL LIABILITIES AND OWNER EQUITY			
PART B. SUPPLEMENTAL DATA			
THIS STATEMENT IS ON THE-CASH BASIS ACCRUAL BASIS			
INVENTORIES ARE-LIFO FIFO COST OR MARKET WHICHEVER IS LOWER			

USDA Forest Service FS-6500-24 (v.05/09) Exp. (10/31/2012) - Page 4

NAMES OF CONTRACTORS OR SUB-CONTRACTORS USED (IF ANY):			
PART C. INCOME STATEMENT CURRENT YEAR PAST YEAR THIRD YEAR			
GROSS SALES			
LESS-RETURNS AND ALLOWANCES	< >	< >	< >
NET SALES			
LESS-COST OF GOODS SOLD	< >	< >	< >
GROSS PROFIT ON SALES			
LESS-SELLING EXPENSE	< >	< >	< >
NET PROFIT (LOSS) ON SALES			
GENERAL EXPENSE:			
OFFICERS SALERIES			
LEGAL AND OTHER PROFESSIONAL EXPENSE			
OFFICE EXPENSE			
TOTAL GENERAL EXPENSE			
NET OPERATING PROFIT (LOSS)			
ADD-OTHER INCOME			
LESS-INTEREST EXPENSE			
INCOME TAXES	< >	< >	< >
OTHER EXPENSE	< >	< >	< >
NET AMOUNT OF OTHER INCOME AND EXPENSE	< >	< >	< >
NET PROFIT (LOSS) FOR YEAR			
NOTE: Offers must set forth full, accurate, and complete information as required in this Financial Statement (including any attachments). The penalty for making false statements in this Financial Statement is prescribed in 18 U.S.C. 1001.			
PART D (1). CERTIFICATION FOR CORPORATIONS OR PARTNERSHIPS			
We, the undersigned, general officers (or members) of (Name of corporation or partnership) being severally sworn, each declares that the above or attached financial statements are true and correct, and that it covers all of the financial affairs of said company (or) firm up to and including the date of 2 .			
CERTIFYING OFFICIAL'S NAME AND TITLE	SIGNATURE (Sign in ink)		DATE
CERTIFYING OFFICIAL'S NAME AND TITLE	SIGNATURE (Sign in ink)		DATE
SWORN TO AND SUBSCRIBED before me this day of (Month/Year).		(Affix Notary Seal)	
SIGNATURE		TITLE	
PART D (2). CERTIFICATION FOR INDIVIDUALS			
I swear (or affirm) that the above or attached financial statements are true and correct to the best of my knowledge.			
INDIVIDUAL'S NAME AND TITLE	SIGNATURE (Sign in ink)		DATE
SWORN TO AND SUBSCRIBED before me this day of (Month/Year)		(Affix Notary Seal)	
SIGNATURE		TITLE	

USDA Forest Service FS-6500-24 (v.05/09) Exp. (10/31/2012) - Page 5

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 8 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD). To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.

The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.

U.S. GPO: 1996-720-508

Appendix 17: FS-6500-25, Request for Verification

US DEPARTMENT OF AGRICULTURE, FOREST SERVICE REQUEST FOR VERIFICATION (Reference FSH 6509.18)		FS-6500-25 (v.05/09) OMB No. 0596-0082 Exp. (10/31/2012)	
Instructions:		Applicant -	
Lender -		Complete items 1 thru 5. Forward directly to bank or lending institution.	
National Forest, ATTN:		Please complete Items 6 thru 15. Return directly to National Forest, ATTN:	
PART I - REQUEST			
1. TO: Name and Address of Bank or other Lending institutions		2. FROM: (Name and Address of Applicant)	
3. STATEMENT OF APPLICANT			
TYPE OF ACCOUNT	ACCOUNT NUMBER	CURRENT BALANCE	
CHECKING ACCOUNT			
SAVINGS ACCOUNT			
OTHER			
I have applied for a timber sale contract or concessionaire permit (please cross one out) with the National Forest and state that my balance with the bank or lending institution named in Item 1 are as shown in Item 3. My signature below authorizes verification of the information. Your response is solely a matter of courtesy for which no responsibility is attached to your institution or any of your officers.			
4. Signature of Applicant		5. Date	
/		/	
PART II - VERIFICATION			
6. Does applicant have any outstanding loans?		10. Is the account less than 2 months old?	
Yes	No	If yes, fill Item 7.	Yes
			No
			If Yes, fill in Item 11.
TYPES OF LOANS	MONTHLY PYMT.	PRESENT BALANCE	11. Date account was opened:
Secured			
12. Payment Experience:			
Unsecured	Favorable	Unfavorable	
8. Is applicant's statement in Item 3 correct?		If unfavorable, please explain in remarks.	
Yes		No	
		If no, fill Item 9.	
9. CURRENT BALANCES			
CHECKING		SAVINGS	
13. REMARKS:			
THE INFORMATION ON THIS FORM IS CONFIDENTIAL. IT IS TO BE TRANSMITTED DIRECTLY, WITHOUT PASSING THOROUGH THE HANDS OF THE APPLICANT OR ANY OTHER PARTY.			
14. Signature of bank or lending official.		15. Date	
/		/	
<p>According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0596-0082. The time required to complete this information collection is estimated to average 5 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.</p> <p>The U.S. Department of Agriculture (USDA) prohibits discrimination in all its programs and activities on the basis of race, color, national origin, age, disability, and where applicable, sex, marital status, familial status, parental status, religion, sexual orientation, genetic information, political beliefs, reprisal, or because all or part of an individual's income is derived from any public assistance. (Not all prohibited bases apply to all programs.) Persons with disabilities who require alternative means for communication of program information (Braille, large print, audiotape, etc.) should contact USDA's TARGET Center at 202-720-2600 (voice and TDD).</p> <p>To file a complaint of discrimination, write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, SW, Washington, DC 20250-9410 or call toll free (866) 632-9992 (voice). TDD users can contact USDA through local relay or the Federal relay at (800) 877-8339 (TDD) or (866) 377-8642 (relay voice). USDA is an equal opportunity provider and employer.</p> <p>The Privacy Act of 1974 (5 U.S.C. 552a) and the Freedom of Information Act (5 U.S.C. 552) govern the confidentiality to be provided for information received by the Forest Service.</p>			

Appendix 18: National Quality Standards for Recreation Site Management

National Quality Standards for developed sites have been established for the Key Measures: Health and Cleanliness, Safety and Security, Condition of Facilities, Responsiveness, Resource Setting. Critical National Standards are identified with an asterisk (*). If not met, the resulting conditions pose a high probability of immediate or permanent loss to people or property.

Key Measure: HEALTH AND CLEANLINESS

1. *Visitors are not exposed to human waste.
- *Water, wastewater, and sewage treatment systems meet federal, state and local water quality regulations.
- Garbage does not exceed the capacity of garbage containers.
- Individual units and common areas are free of litter including domestic animal waste.
- Facilities are free of graffiti.
- Restrooms and garbage locations are free of objectionable odor.
- Constructed features are clean.

Key Measure: RESOURCE SETTING

2. *Effects from recreation use do not conflict with environmental laws (such as ESA, NHPA, Clean Water, TES, etc).
3. Recreation opportunities, site development, and site management are consistent with Recreation management system (ROS, SMS, BBM) objectives, development scale, and the Forest land management plan.
4. Landscape character at the developed recreation site is consistent with the Forest scenic integrity objectives.
5. Visitors and vehicles do not exceed site capacity.

Key Measure: SAFETY & SECURITY

6. *High-risk conditions do not exist in developed recreation sites.
7. *Utility inspections meet federal, state, and local requirements.
8. Laws, regulations and special orders are enforced.
9. Visitors are provided a sense of security

Key Measure: RESPONSIVENESS

10. *When signed as accessible, constructed features meet current accessibility guidelines.
11. Visitors feel welcome.
12. Information boards are posted in a user-friendly and professional manner.
13. Visitors are provided opportunities to communicate satisfactions (needs, expectations).
14. Visitor information facilities are staffed appropriately during seasons of use and current information is available.
15. Recreation site information is accurate and available from a variety of sources and outlets.

Key Measure: CONDITION OF FACILITIES

16. Constructed features are serviceable and in good repair throughout the designed service life.
17. Constructed features in disrepair due to lack of scheduled maintenance, or in non-compliance with safety codes (e.g. life safety, OSHA, environmental, etc.) or other regulatory requirements (ABA/ADA, etc.), or beyond the designed service life, are repaired, rehabilitated, replaced, or decommissioned.

18. New, altered, or expanded constructed features meet FS design standards and are consistent with an approved site development plan, including an accessibility transition plan.

Public Service Maintenance Standards

The following standards should be met in sites offering services to the public. These standards are necessary to ensure a pleasant recreation experience for the visitor.

19. Toilets, showers, and dressing areas

- Toilet bowls, risers, seats, seat covers, and urinals free of deposits on surfaces
- Building interiors free of dirt, trash, graffiti, insects (dead and alive), and spider webs
- Floors free of standing water
- Chromeware clean and bright
- Toilet paper, towels, and seat covers (where provided), stocked to last until next day and/or cleaning
- Unpleasant odors (both sewage and chemical) minimized
- Toilets and other buildings (exterior)
 - Walkways and trails clean and clear of obstructions for public safety and accommodating people with disabilities
 - Floor mats clean
 - Exterior walls free of graffiti
 - Roof generally free of leaves and branches
 - Eaves free of wasp nests, bird nests, and spider webs
- Toilet vaults
 - Vaults not more than three-fourths full
 - During pumping, the vaults should be cleaned as thoroughly as possible to help prevent the production of odors.
- Tables and benches
 - Tops and seats free of dirt, grease, and large carvings
 - Under portion free of spider webs, etc.
 - Tops, seats, and legs secure and functional
- Fireplaces, char-grills, fire rings, and stoves
 - No more than half-full of ashes
 - All ashes and partially burned wood confined to fireplace or grill
 - Grill surface free of grease and food particles at time of ash removal
 - Pedestals and bases straight and secure, and components functional
 - Leftover firewood stacked beside unit.
- Garbage cans and depositories
 - Plastic liner half-full or less
 - Cans clean on the outside; all litter and debris picked up around cans or container
- Hand-pumps, fountains, and hydrants
 - All units free of grease or residue
 - All units secure and drip-free
 - Catch basins (drains) free of food particles, soaps, grease, debris, standing water, and functioning properly

Appendix 19: Sample List of Holder-Furnished Property

Pinecrest Amphitheater

Item Type	Quantity
Projection Booth -Building on piers -All contents of projection booth	1
Movie Screen	1
Screen cover	1
System for raising and lowering screen	1
Metal box covering system	1
Wooden screen supports	4
Stage Speakers	2